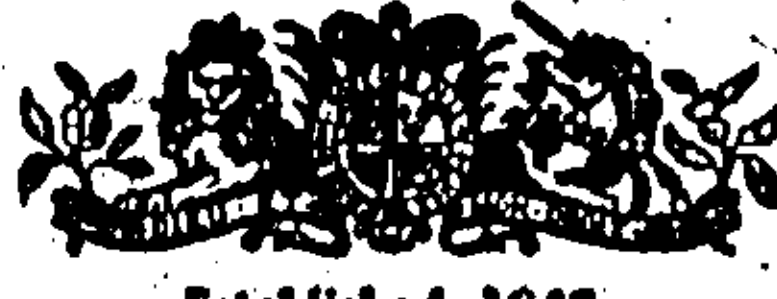


PHILIPS ELECTRIC FLOOR POLISHERS
GILMANS

THE WEATHER: Fresh or strong gusty E. winds. Cloudy with patches of rain and fine intervals. The strong monsoon signal, the black ball, was hoisted at 11.30 a.m.

CHINA



MAIL

R.A.A.
THE LEADER TO 77 COUNTRIES

No. 37304

FRIDAY, MARCH 13, 1959.

Price 20 Cents

Comment Of The Day

THE ROAD TO CASTLE PEAK

A BIG drive to improve the Colony's roads system was revealed in last month's budget speech. The major project will be conversion of the Kowloon-Castle Peak Road into a dual carriageway for its entire length. This is regarded as an essential preliminary to opening up the territories to the development of satellite townships.

Tsun Wan has already shown the need for wider roads to link this major industrial area with the wharves and godowns of Kowloon. And as industry spreads to new areas and as towns grow up alongside them, first class communications will be required. The Castle Peak Road is not only a major project. Government is undertaking. There is the new 120-ft wide highway which will run from Kowloon City out to Kun Tong where a satellite town for a quarter of a million people is being planned. Work on this road began this year.

Railway Too?

THE estimates show that in this year alone expenditure on the Castle Peak Road may exceed \$12 million, and the entire project is designed to take a number of years. But as the Governor Sir Robert Black said, even though capital expenditure is heavy projects of this kind are necessary in our general economic interests.

Should the railway branch out to Castle Peak, as well? Experience has shown that good roads claim first priority. Smaller industries and farms in the Taiipo area, for example, find it cheaper to transport by road all the way than by road to the nearest goods yard, then train to Tsimshatsui and then road again to wharves or markets. This will almost certainly prove to be true elsewhere.

Less Remote

BUT if the satellite towns prove to be as great a success as some of our planners hope, public transport will have to be substantially improved and bus services may not be enough. Government should think about a loop railway line running from Sheung Shui (or Taiipo), to Sek Kong, Kam Tin, Yuen Long, Castle Peak and back to Kowloon if it succeeds in persuading people to move out to the Territories in a big way.

In the Government's scheme of development, a loop railway clearly rates a low priority now. Roads, reclamations, site development and all the essential community needs are more important in establishing towns in the New Territories, but good public transport linking Kowloon with the outlying areas will play an important part in fostering the growth of outlying areas later.

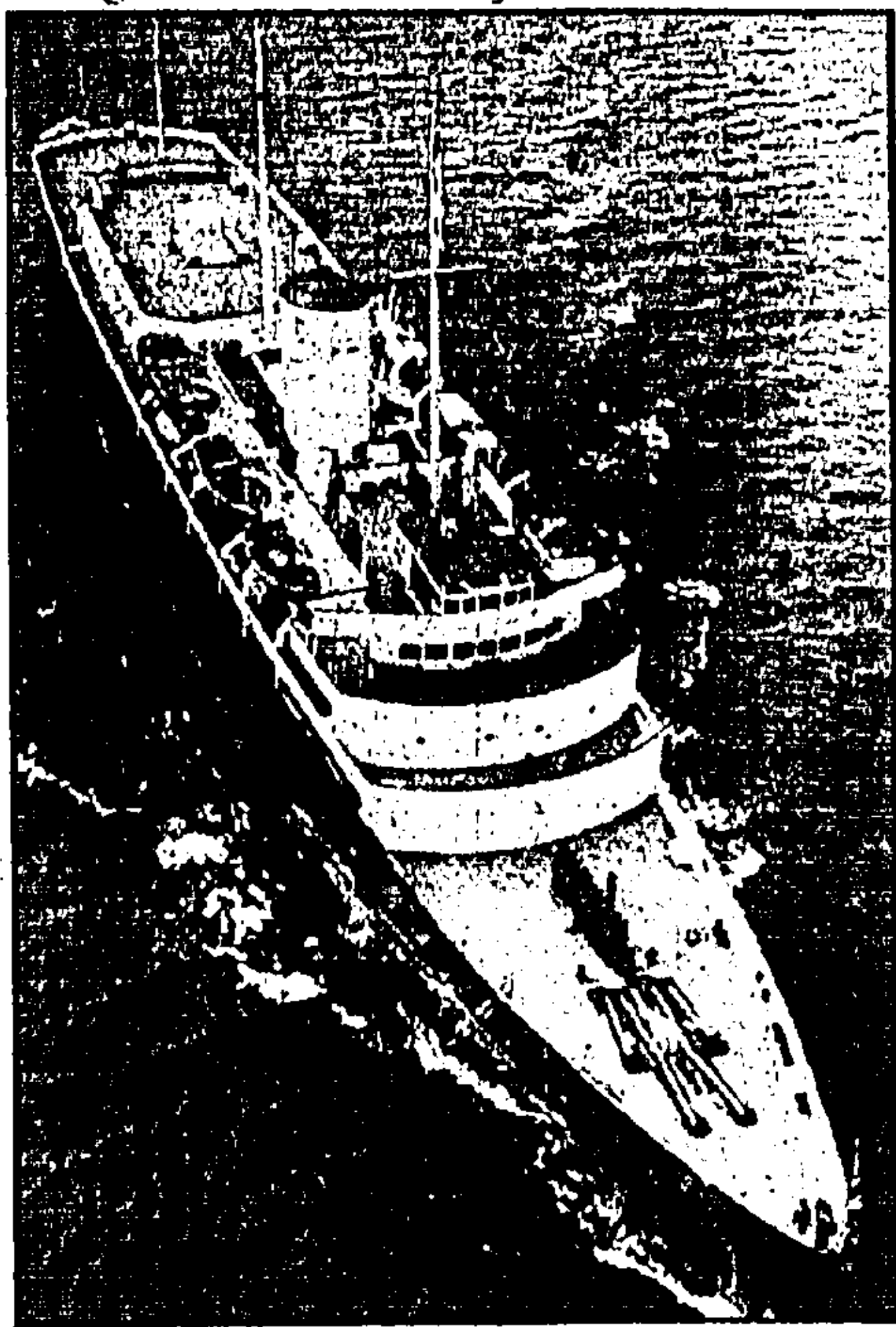
The need is to make the territories less remote and therefore more accessible. Townspeople need to be assured that they are not moving hopelessly out of reach of friends and familiar places in Kowloon. Shatin, Taiipo and Sheung Shui have good road and rail links with Kowloon and their prosperity shows how they have benefited. We ought to bear this in mind when planning our development in other parts of the territories.

**ROYAL YACHT PLAYS 'DODGING GAME' WITH TROPICAL STORM
BAD WEATHER HITS BRITANNIA**

Cable Sent To Buckingham Palace

London, March 12.

The royal yacht Britannia, now on passage with the Duke of Edinburgh between Hongkong and Gizo in the Solomon Islands, is having trouble trying to dodge a tropical storm nicknamed "Sally," according to a telegram received at Buckingham Palace today. The message from the yacht said: "We are plunging into strong winds, fairly heavy seas, and occasional tropical rainstorms."



SALLY IS CHASING HER

UAR Blamed For Iraqi Revolt

Bagdad, March 13. The official Baghdad Radio last night accused the United Arab Republic for the first time of engineering the recent Iraqi plot. "You are acting against the internal security of the Iraqi state," the radio said in replying to a speech earlier yesterday by President Nasser of the UAR.

Earlier an Iraqi spokesman denied charges made by President Nasser that Iraqi aircraft had strafed a Syrian village on Tuesday.

Not Over Yet

The Damascus newspaper Al Alam today quoted reports that the Iraqi revolt was not yet over, and that the rebels were taking to the mountains to resume their fight.

The reports added that thousands of Arab nationalists were being herded into specially-built concentration camps, as the old ones were already packed.

The death toll in Mosul, the northern oil town where the revolt started, the newspaper added, was "more than 2,000"—most of which was caused by the 24-hour rocket and incendiary bombardment by the Iraqi Air Force.—Reuters.

BLOOD BATH IN IRAQ
See Page 3 Col. 7

ROBERT TAYLOR SEES MAN DIE

Nairobi, March 12. As Robert Taylor and other stars of the film "Adamson of Africa," being shot at Mombasa, watched helplessly this evening an African extra was washed away by breakers and drowned. The African was one of 20 hired to play the part of slaves thrown overboard from an Arab dhow as a British gunboat on anti-slave patrol in the year 1895 opened fire.—U.P.I.

'Oh, Edith, You Really Are An Ass'



DAME IRENE WARD
She was ticked off

London, March 12. EXASPERATED by a woman colleague in the House of Commons tonight, Dame Irene Ward caused roars of laughter by dropping parliamentary jargon and calling: "Oh, Edith, you really are an ass."

The "ass" was Dr Edith Summerskill, former Minister in the Labour Government, who had ticked Dame Irene (a Conservative) off for making what she considered a long-winded interjection.

Mr Maurice Edelman (Lab-our) at once asked the Speaker if it was in order for Dame Irene to describe Dr Summerskill as "an ass."

But the Speaker, who is often conveniently "deaf," said he did not hear the word.

Later, Dame Irene laughed loudly when Dr Summerskill got her own back by saying she was surprised she could be "so feline."

("Cutty" would have been out of order—if the Speaker had heard it).

The House was discussing the National Health Service.—Reuters.

Bear Hunt To Keep Guardsmen Well-Dressed

Timmins, Ontario, March 12.

All sportsmen with hunting licences have been "called up" for a bear hunt on Saturday to provide bearskins for Guardsmen on duty at Buckingham Palace, in London, following recent complaints that their traditional headgear was beginning to look moth-eaten.

POCKET CARTOON
by OSBERT LANCASTER



"You know, Prendergast, if I hadn't got a nasty hang-over I should say that that fellow who wrote to The Times was onto something."

This was announced today by the town clerk of this town, where the Mayor, Mr Leo Del Villano, began to plan the hunt after reading about the guardsmen's struggles with their ancient but balding headgear.

Free Offer

In London today it was reported that the offer by the Canadian Mayor to supply the whole Brigade of Guards with new bearskins—free of charge—had been accepted by the War Office.

(A reader's letter in the Times of London raised the issue which was taken up in Whitehall and the world press. A top-ranking Guards Officer, Lieutenant-Colonel Michael O'Cook, admitted that some of the bearskins were not up to standard and that some were 50 years old.

"They are not replaced often enough. Warm wear are cut up and used to make new ones," he said.—Reuters.

HK & SHANGHAI BANK MEETING

Shareholders Hear Of Mercantile Bank Takeover

The Chairman of the Hongkong and Shanghai Bank, Mr Michael W. Turner today told shareholders the whole story of the two-year negotiations to acquire the share capital of the Mercantile Bank.

In the course of his printed report at the annual meeting this afternoon he said this was "the most important event since our last meeting, from our own domestic point of view."

He revealed that on March 6 the Bank held 97.5 per cent of the total issued capital of the Mercantile Bank.

Early in 1957 an indication reached us from the holder of a large block of shares that he was looking for a purchaser and he wondered whether we would be interested. This approach came at a time when it was becoming more and more clear that in British exchange banking as in many other activities, the tendency must be for consolidation, not only because larger units tend to become stronger and can operate more effectively, but also because they are less vulnerable to takeover bids from parties who wish to make a profit by obtaining control of large liquid assets.

The Reason

In this case we did not wish Mercantile Bank Ltd. to fall into other hands, and certainly not into hands where the policy might be to liquidate for the sake of a profit, and it appeared to us that the combination of Mercantile Bank Ltd. and ourselves would be a constructive step leading to a powerful and well-balanced structure in both the Indian sub-continent and the Far East.

We therefore agreed to buy the shares which had been offered to us and we then approached the directors of Mercantile Bank Ltd. (with an offer to open negotiations with the object of arranging for the acquisition by us of the remainder of the shares. At that time it was clear that the offer would have to be for cash, because two out of the three types of shares of Mercantile Bank Ltd. and all the shares of our own bank had an uncalculated liability.

This raised a difficulty, however, as the directors of Mercantile Bank Ltd. did not see their way to recommend a cash offer to their shareholders without a disclosure of their bank's hidden reserves position which, from the point of view of both sides, was undesirable. Negotiations were therefore broken off in July 1957, and thus when reports reached the press in February 1958 that we were intending to make a takeover bid we were in a position to deny it.

Events, however, do not stand still in the business world, and by the autumn of last year it became clear for various reasons that a further development one way or the other was inevitable. In the meantime the capital of both banks had been reorganised, with the liability of the shareholders being extinguished, and thus it was a relatively simple matter to arrange a basis of exchange of shares.

The Benefit

In November we reopened negotiations with the board of Mercantile Bank Ltd., making it clear that, while the basis of exchange would be a share offer, the ratio of which would be decided between our respective boards with the advice of their auditors, there would be the benefit of an alternative cash offer for those shareholders of Mercantile Bank Ltd. who did not wish to accept our shares, or were prevented by their articles from holding shares in a com-

Asia To Europe On 5,000-Mile Highway

Brisbane, March 12. A plan for a 5,000-mile highway across Asia linking Saigon with Teheran was approved by the committee of the Economic Commission for Asia and the Far East meeting at Broadbeach, near here today.

The proposal will go before the full commission on March 14 and is expected to be approved. Enafo is an advisory body and can only recommend a proposal to member countries through the United Nations.

Detailed Survey

The Highways Committee put up the plan after making a detailed survey of inland transport needs of under-developed Asian countries. The chief of Pakistan's transport division, Mr M. S. Ahmad, said that in the plan each member country would bear the cost of the section of the road through its country.

Member governments would decide what type of construction they would use in their own sections.

Branch highways would link Singapore and Indian cities with the highway and existing roads between Teheran and Turkey would give eventual road link to Europe, he said.—Reuters.

DULLES MAY ATTEND TALKS

Washington, March 12. Mr John Foster Dulles, now undergoing treatment for cancer at Walter Reed Army Hospital, may be able to take part in "some manner" in the talks either in Washington or elsewhere between President Eisenhower and Prime Minister Harold Macmillan, the U.S. State Department spokesman, Mr Lincoln White, told a press conference.

There was no indication today whether Mr Dulles would be permitted by his doctors to travel to Camp David.—Reuters.

MY CUBAN WAR

by **ERROL FLYNN**



WITH a notebook and a briefcase full of vodka, the most remarkable war correspondent of all flew towards the rebel stronghold of Fidel Castro in Cuba. All the way he was besieged by autograph hunters.

As each book was offered, he wrote in a large vigorous hand: ERROL FLYNN.

Then, within hours, he was among the bearded men who have taken over Cuba today.

Flynn's dispatches from Cuba have been acquired exclusively by the CHINA MAIL. They are a rip-roaring account of the Cuban rebels—and of Fidel Castro, the ex-lawyer who led them.

MY CUBAN WAR starts in tomorrow's issue of the CHINA MAIL.

Included in the feature-packed weekend edition are:

- ★ Another full-page pictorial record of the recent visit to Hongkong by Prince Philip... by CHINA MAIL Photographers;
 - ★ I Dreamt I Dwelt in Marble Halls... another in the absorbing series on old Hongkong by John Luff.
- Also all your favourite comics, cartoons, puzzles, pages of letters for women, the best in sports coverage, a London Letter by Sir Beverley Baxter and all the latest news and views. Take home a CHINA MAIL tomorrow!

KING'S PRINCESS

GRAND OPENING TO-DAY



AIR - CONDITIONED
STAR METROPOLE

LAST 4 SHOWS TO-DAY
AT 2.30, 5.30, 7.30 & 9.30 P.M.



★ GRAND OPENING TO-MORROW ★



BOOK EARLY!

ROXY & BROADWAY

★ SHOWING TO-DAY ★
Owing to length of picture please note change of times:
AT 2.30, 5.20, 7.30 & 9.40 P.M.
BRAND NEW!!!

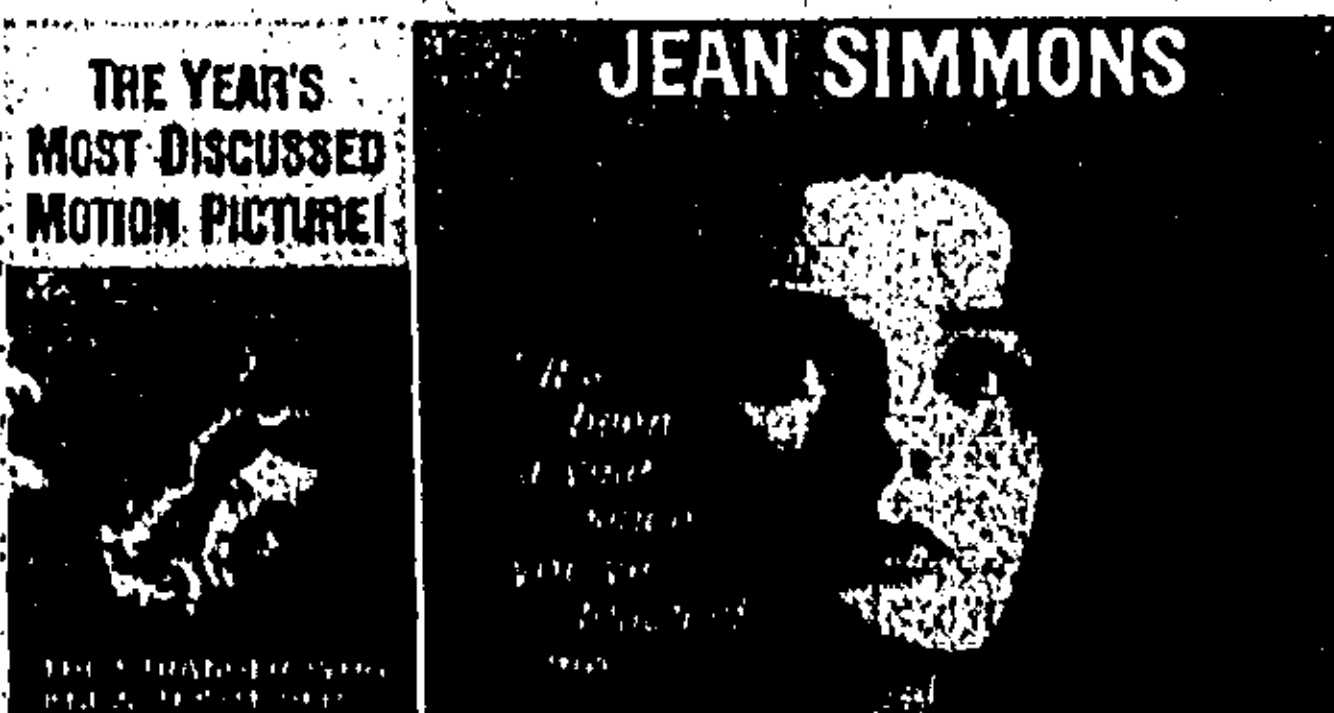


ADDED SPECIAL ATTRACTION - Walt Disney's
Production "COW DOG" in Technicolor

HOOVER RITZ

GRAND OPENING TO-DAY

AT 2.30, 5.00, 7.30 & 9.45 P.M.



OTHERLIFE-FLEMING-ZIMBAUST, JR. LEROY



Man's Statement On Arms From Ship

A cautioned statement in which the accused allegedly admitted having taken part in the removal of "one lot of arms" from a ship from Formosa was read in Court this morning at the trial of a 45-year-old shop owner.

The man, Lau For-sang, alias Lau Yiu-nam, is appearing on charges of possession and control of arms without a licence. The trial was heard before Judge B. J. Jennings at the Victoria District Court.

The accused, represented by Mr. V. L. J. D'Alton, pleaded not guilty to the charges. Insp. T. W. Wheeler is prosecuting.

Two Tins

Det. Insp. John Tang, who had testified at a previous hearing that he had taken a cautioned statement from the accused in Ping Shan on December 3 last year, read the statement in Court this morning.

The accused was alleged to have said that on September 9, 1957, a Chan Chi-man had told him that "one lot of arms" had arrived from Formosa. Later that day, he went with two friends to the Jordan Road wharf. From a ship from Taiwan, they took two keosene tins and three bags and returned to the wharf, the accused was alleged to have said.

The accused hired a private car and loaded the arms onto the car, he was alleged to have said. As he boarded the car, he saw his friends being stopped by a policeman and he immediately went to his house in Fa Hai Street. Later he had three bags removed to his brother-in-law's place in Reclamation Street.

Afraid

"As the Police had discovered that I was moving the arms, I was afraid of being arrested and immediately I sailed to Tak Moon," the accused was alleged to have said.

He then went to Yuen Long and was arrested by the Police about 10 days later, as a suspected illegal immigrant.

He was then sent to China where he was detained by the

Communists, the accused was alleged to have said in the statement. He also said that he had not seen Chan after the incident but he believed Chan had gone to Taiwan.

Insp. Tang said in evidence that he later took the accused to Kowloon Police Headquarters on December 8 and later charged the accused with two counts.

Hearing is continuing.

Doctor Guilty Of Careless Driving

Dr Kelly Chu, who pleaded guilty this morning to careless driving, was fined \$100 by Mr. K. A. S. Phillips at Central Magistrate's Court.

Sub-inspector S. W. Ng said that on January 9 defendant was driving his car along Queen's Road and tried to overtake a car in front.

Defendant saw a car coming from the opposite direction so he swerved to the left. In so doing he knocked against the off-side front door and off-side mudguard of the car he was trying to overtake.

In mitigation Dr Chu said that he was in a hurry to see a patient. He added that he had sounded his horn several times before trying to overtake the other car.

WATER CUTS TOMORROW

Residents of the Colony are reminded that the water supply period will be reduced to three hours a day as from tomorrow. At the same time, the zoning system of supply — whereby half the community receives water in the morning and the other half in the evening — is being re-introduced.

The morning supply period is from 6.30 a.m. to 9.30 a.m. and the afternoon supply period from 5 p.m. to 8 p.m.

GOVERNMENT APPOINTMENTS GAZETTED

The Government Gazette today announced the following appointments, transfers, promotions and postings:

Mr. D. F. O'R. Mayne, Crown Counsel, to be Acting Senior Crown Counsel during the absence of Mr. W. A. Blair-Kerr.

Mr. J. C. McRobert, Crown Counsel, resumed duty on return from leave.

Mr. E. H. Nichols, to be an Assistant Director of Agriculture, Fisheries and Forestry, on transfer from Sierra Leone.

Mr. N. F. Wright, Agricultural Officer, ceased to act as Assistant Director of Agriculture, Fisheries and Forestry on assumption of duty by Mr. Nichols.

Mr. M. S. Bryan, to be Quantity Surveyor, P.W.D.

Mr. R. Woodward, Senior Surveyor of Ships, resumed duty on return from leave.

Mr. H. Torrance, Surveyor of Ships, consequently ceased to act as Senior Surveyor.

Mr. P. Lowe, Superintendent of Police, to be Acting Senior Superintendent of Police, vice Mr. T. E. Clunie.

Dr. Chau Fong-sing, Assistant Medical Officer, to be Medical Officer.

NEW ELLIS KADOORIE SCHOOL

Work will start in about three months' time on the demolition of the existing two-storey Ellis Kadoorie School in Eastern Hospital Road, Sookunpoo.

When the site has been cleared, a new five-storey school building will be put up. The new primary school will have 24 classrooms and accommodate 2,040 pupils in two sessions.

The new Ellis Kadoorie School will be built to the design and under the supervision of Dr. John S. L. Woo, a local architect, in association with the Public Works Department.

Tenders for the construction work are called for in today's Government Gazette and the new school building is expected to be ready for use in March next year.

Additional Maternity Block

An additional maternity block is to be constructed at Kowloon Hospital. Work will start towards the end of April on the erection of a single-storey building which will have accommodation for 36 beds and a nursery.

The new building will be sited next to the existing maternity block and will be partially connected to it by a covered way. It is expected to be ready for use about the end of August this year.

Tenders for the construction work are called for in today's Government Gazette.

Repeater Station For Police

A communications repeater station, similar to the existing one of the Peak, is to be built for the Police Force near the top of Tate's Cairn in Kowloon. Construction work on the station, which will be a single-storey structure, will start early in May and is expected to be completed in September.

Two other one-storey buildings will also be erected next to the repeater station. These will serve as a Police Post and will have accommodation for 16 men. Tenders for the construction work are called for in today's Government Gazette.

Architect

The name of Mr. Gordon Burnett Gifford Hull has been added to the register of Authorized Architects, as notified in today's Government Gazette.

CAPITOL SHOWING TO-DAY
AT 2.30, 5.30, 7.30 & 9.30 P.M.



TO-MORROW MORNING SHOW AT 12.30 P.M.

Stewart Granger in "MAGIC BOW"

THE CLUB LUSITANO GETS INTO SWING

by Carl Myatt

A GROUP of businessmen and musicians have been, over the past few months, trying to promote the art of jazz in this Colony.

Following quickly on the heels of discussions and recorded concerts came the "Jazz Sessions." Last night's gathering of jazz enthusiasts at the Club Lusitano resulted in one of the most swinging sessions ever heard in Hong-kong.

Taking Shape

Driving force behind the idea of widening the interest of Hongkong's public in this particular art field is Tony Lopes. Backing him is a small group that includes Dr. Eddie Cosano, Colin Stuart, Bob Davidson, and Eddie Costa.

The formation of a Hongkong Jazz Club is foremost in the mind of these men and it appears to be taking shape far more quickly than any of them would have envisaged perhaps a month ago.

The steadily growing attendance at impromptu sessions as was held at Lusitano yesterday, has encouraged Tony Lopes so much that early next month there will take place an event completely new in the annuals.

of music and entertainment in Hongkong. The Jazz Band Ball will be held at Club Lusitano on April 6 and will feature a ten-piece big band, a combo playing Modern Jazz and a group playing Traditional Jazz.

Yesterday's Jam Session started on a fairly sober note with the Larry Allen trio setting a solid foundation for the other musicians to build.

Rousing

Eddie Costa's Combo, with Eddie at the piano, Joey Veyala on clarinet, Peter Endaya on bass and Rick Flores on drums started (see later) with the beautiful "Charlie's Blues" and then a rousing version of that old standard, "How high the moon." This latter number featured an outstanding drum solo by Flores.

The Jettie Jazz Band, with leader Bob Davidson on cornet, took the next set. Then came the high spot of the evening, Trumpeter Colin Stuart and Connie Greco doubling on tenor sax and flute joined the Larry Allen trio (Peter Endaya on bass and Peter Penny on drums) in a session that, to quote a well-used phrase, "set the joint rocking."

Sparkling

The driving rhythm section prompted Messrs Stuart and Greco into some sparkling solos. "Bernie's Tune" and "Take the A Train" were particularly outstanding examples of what this combo is capable of doing. Allen's solo on "Tune" was the evening's best.



POP—Very de Galling



LEE FINAL TO-DAY
At 8.00 p.m.

A Cantonese Opera
"PORTRAIT OF A BEAUTY"
新利年劇團
丹青配

• COMMENCING TO-MORROW •
4 SHOWS AT 2.30, 5.30, 7.30 & 9.30 P.M.



Astor FINAL TO-DAY
AT 2.30, 5.30, 7.30 & 9.30 P.M.



ORIENTAL MAJESTIC
AIR CONDITIONED

Please note change of times!
TO-DAY
AT 2.30, 5.15, 7.30 & 9.40 P.M.

A Motion Picture of Might, Magnitude & Magnificence!

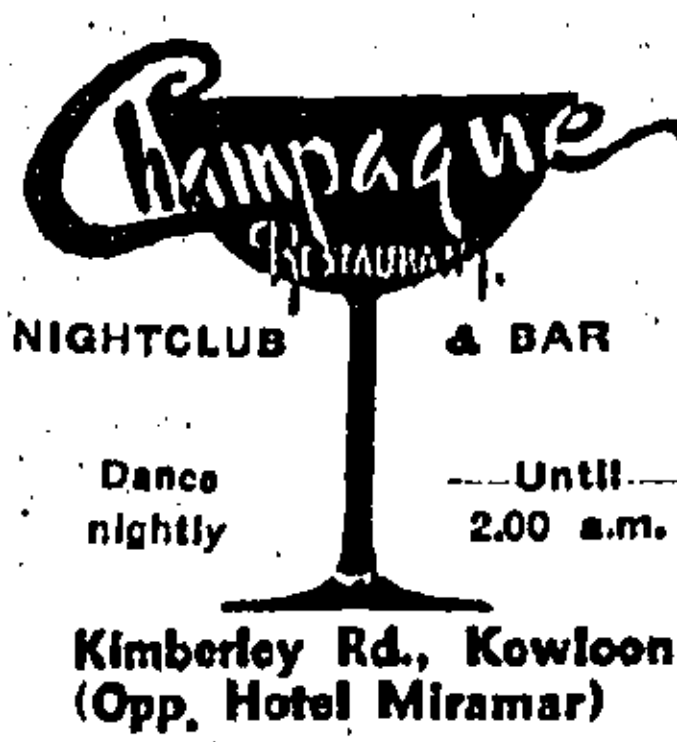


SHOWING TO-DAY
AT 2.30, 5.20, 7.30 & 9.30 p.m.



Morning Show To-morrow
"COMMANDOS STRIKE AT DAWN"

EXCELLENT CANTONESE DISHES AND MUSIC
FOR YOUR ENTERTAINMENT



SPECIAL DINNER \$8.00
New Menu of the week
* Shark's Fin Soup
* Fried Sliced Chicken
with Chili
* Sweet & Sour Pork
* Chao Fan or Noodle
* Jasmine Tea
Music by
ISING GATCHELALIAN &
HIS QUINCY
MISS FONG CHIN YIN
MISS SHUN YIN
MR. THOMAS CHUNG
Tels. 60001 & 67000

By Gog
Whatever your sport
you can't beat



HAWAII WILL BE 50TH STATE

Big Two Talks To Be In Secret

Washington, March 12. President Eisenhower's decision to hold talks with Mr. Harold Macmillan, at Camp David, in the seclusion of the Maryland hills, was interpreted here as official determination to keep Berlin developments as secret as possible.

One allied diplomat commented: "We don't want to hand over every piece of information to the Russians on a platter."

Away from the bustle of the capital, their talks will probably not be attended by so many official experts and Mr. Macmillan will not be required to meet members of Congress, make public speeches or answer reporters' questions.

A strict military guard will keep away all unofficial callers and the isolated retreat will ensure considerable more privacy for the two leaders to go over Western policy and thrash out any differences over the approach to talks with Russia.

The throng of reporters expected for the talks will be stationed some miles away at Gettysburg.

There has been an increasing tendency in Washington to clamp down on the passing out of information relating to Western policy over Germany on the ground that such news proves more helpful to the Russians than anyone else.

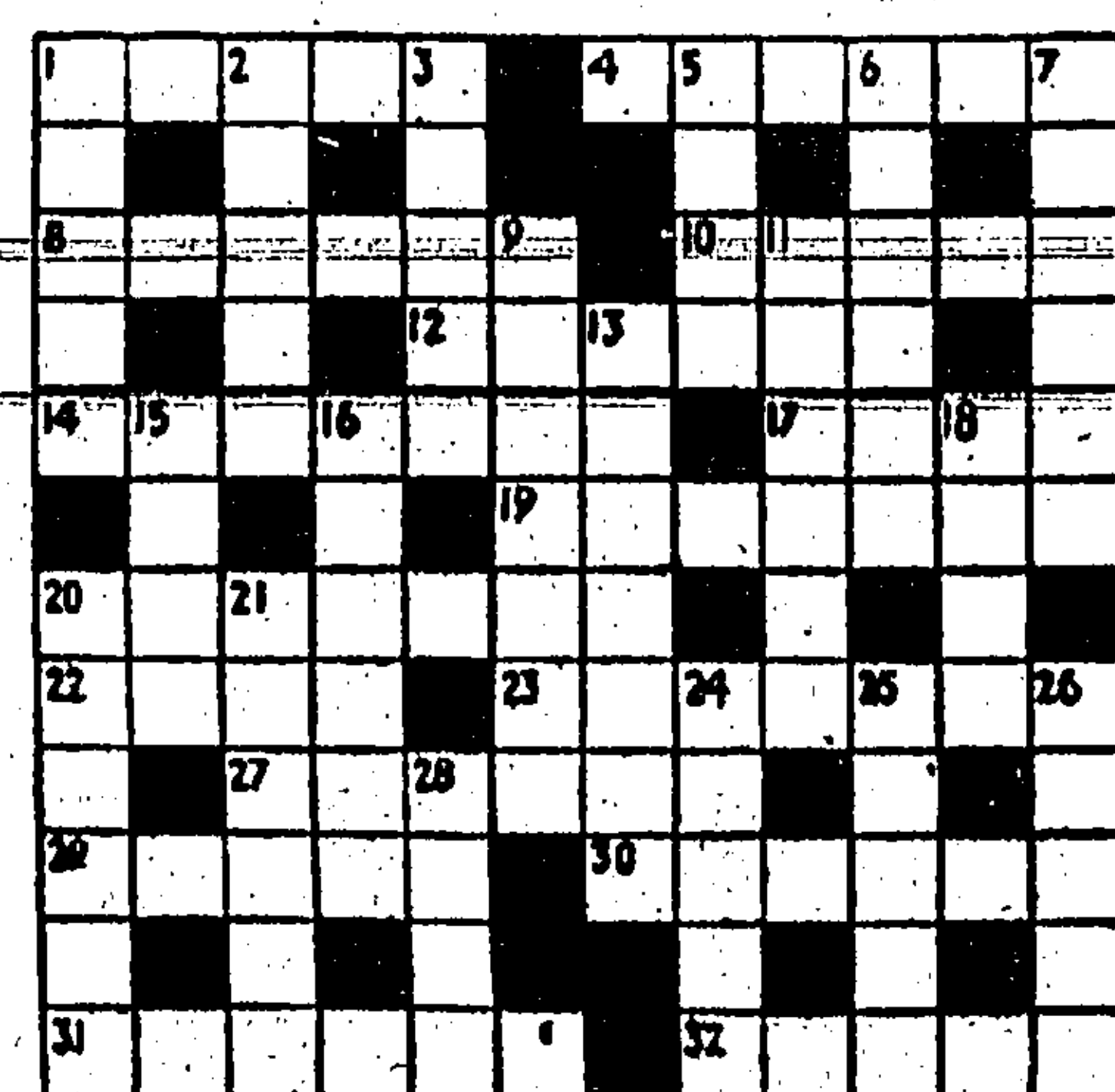
German Talks

A Bonn message says the British and German viewpoints on arms limitation appeared closer after the first talks between Mr. Macmillan and the West German Chancellor, Konrad Adenauer.

No details of the conversations were revealed, although a British spokesman said the subjects discussed, as in the Paris talks between French and British leaders, were: Berlin, Germany, a German peace treaty and European security.

The British Prime Minister set out in detail the results of his recent visit to Moscow and the impressions he had gathered in his talks with the Soviet Premier, Mr. Khrushchev.—Reuter and France-Press.

A British Crossword Puzzle



ACROSS

- 1 Locomotive.
- 4 Sluggish.
- 8 Artist's material.
- 10 Basket.
- 12 Thoroughfare.
- 14 Honorary.
- 17 Yield to pressure.
- 19 Fruit.
- 20 Lie.
- 22 Mosque official.
- 23 Adorn.
- 27 Expunge.
- 28 Vegetable.
- 30 Material.
- 31 Forbear.
- 32 Softens.

DOWN

- 1 Passes the tongue over.
- 2 Kind of egg.
- 3 Rub out.
- 5 Formerly.
- 6 Written in verse.
- 7 Sweet.
- 9 Odd.
- 11 Territory.
- 12 Iterated.
- 13 Detail.
- 15 Soothed.
- 16 Solemn promises.
- 20 Washed out.
- 21 Service students.
- 24 Province.
- 25 Perfect.
- 26 Cues.
- 28 Optical glass.

WESTERDAY'S CROSSWORD.—Across: 3 Sterling, 9 Pore, 9 Abundant, 11 Redolent, 12 Mews, 16 Juvenile, 18 Emerald, 19 Pear, 21 Penchant, 23 Bracelet, 26 Mill, 27 Distrust. Down: 1 Spur, 2 Prod, 4 Tube, 6 Rent, 8 Inane, 10 Gosh, 11 Alone, 13 Uncle, 15 Educate, 16 Widen, 18 Impel, 19 Crest, 20 Habit, 22 Amuse, 24 Fear, 25 News, 28 Acid, 29 Fill.

Congress Beats Two Scuttle Attempts: Bill Now Goes To Ike

Washington, March 12. Statehood for Hawaii won final Congressional approval today.

Turnover In Dutch Lower House

The Hague, March 12. The Catholics have replaced the Socialists as the largest party in the Dutch Lower House, final results of today's elections show.

They gained 31.59 per cent of the votes, followed by the Labour Party with 30.37 per cent.

The Catholics will have the same number of seats as they held in the old House—40—according to unofficial figures.

But the Socialists lost three seats in the election, leaving them with 47.

The Liberals gained six seats, giving them a total of 19 in the new House.

Reds Halved

The Communist strength was more than halved, the Orthodox Communists retaining their three seats but all the four Communist rebels being eliminated.

The strength of the remaining parties in the 150-seat house is given unofficially as:

Protestant Anti-Revolutionary Party—14 seats (compared with 15 in the old house); Protestant Christian Historical Union—12 (13); Protestant Political Reform Party—three (three); Socialist Party—two (none); Reformed Political Union—one (none).—Reuter.

St. Trinians?

London, March 12. Called into court for playing truant 61 times this school year and setting fire to her home with cigarettes, a 13-year-old girl promised the judge: "I have given up smoking now."—U.P.I.

The House passed and sent the Statehood bill to the White House less than 24 hours after it cleared the Senate.

House passage came on a roll call vote of 323 to 89 after the House defeated by voice vote two attempts to scuttle the measure.

With President Eisenhower's signature a certainty, the House has put an end to Hawaii's 40-year battle for Statehood.

Hawaii will be the 50th State. It probably will not actually enter the Union until some time next autumn.

Alaska was admitted as the 49th State on January 7, as a result of legislation enacted last year.

Final Congressional approval came on the second day of the House debate before jam-packed galleries.

It was the fourth time the House has passed a Hawaiian statehood bill since the first statehood measure was introduced in 1919.

Previous measures had failed to win approval of both the House and Senate.

The House cleared the way for quick action on the Hawaiian bill by substituting the Senate-passed measure for its own slightly different version.

Its action in substituting the Senate bill for its own simplified and hastened the procedure for sending the measure to the White House.

Hawaii now is represented in Congress by a delegate who is permitted to make speeches in the House but not vote.

The territory of Hawaii consists of eight major islands and many smaller ones. They lie about 2,200 miles southwest of California—closer to San Francisco than New York is—with a land area slightly larger than Connecticut and Rhode Island combined.

The population is 85 per cent native-born American citizens.

Before final passage the House rejected with thunderous "noes" two last-ditch efforts by opponents to scuttle the measure.

It shouted down first an attempt by Rep. W. R. Poage (Democrat-Texas) to amend the bill to provide for ultimate inclusion of all U.S. Pacific Islands in the new state.

Then, it rejected a motion by Rep. John R. Pillion (Republican-New York) to kill the bill by sending it back to the House Interior Committee.

It may take about five or six months before Hawaii actually enters the Union.

The bill requires President Eisenhower to notify Governor William F. Quinn "as soon as possible" after he signs the statehood bill into law.—U.P.I.



Dr. Hastings Banda, the spirited leader of the Nyasaland African Congress, gestures vigorously as he speaks to newsmen recently.

"We Prefer To Starve As Free Men," Cries Dr Banda

London, March 12. British radio listeners tonight heard Dr Hastings Banda, leader of the Nyasaland African Congress, put the case for Nyasaland's secession from the Rhodesian Federation.

Twin Gets Brother's Kidney

Boston, March 12. An eight-hour operation was performed today to remove a healthy kidney from 47-year-old Jimmy Coxe and plant it in the body of his twin brother Jim.

The transplant surgery at Peter Bent Brigham Hospital went according to schedule, a hospital spokesman said. "Their condition is satisfactory, judging by previous experience."

The hospital, which pioneered the rare transplant surgery and has a record of seven successful operations out of 10 attempts, said it will be impossible to tell for three days if the transplanted kidney was going to function.

The identical twins from Kannapolis, N.C., were the oldest patients ever to undergo a transplant surgery here.—U.P.I.

Stewardess Was Slain—Official

Tokyo, Mar. 12. An official finding of murder was returned in the mysterious death of Tomoko Takakawa and police today began combing the list of the attractive Bona stewardesses' numerous men friends for the killer.

The 27-year-old stewardess, excelled over being assigned by British Overseas Airways Corporation to the Tokyo-Hongkong run beginning today, had told friends, "I don't want to marry anyone."

Police theorized that a jilted lover might have strangled her in a fit of anger and thrown her body into the river in Tokyo's outskirts where her shoeless, coatless body was discovered on Tuesday night.—U.P.I.

BRITISH, ITALIAN CARS RIVALS FOR "HIT OF THE SHOW"

Geneva, March 12. British and Italian cars were rivals for the title of "Hit of the Show" when the 29th Geneva International Motor Show opened today.

The two cars that attracted most attention were the Italian-styled Austin A55 and the Fiat 1600.

Both are completely new to Continental viewers and both combine smooth power with sleek lines.

Queen Joins Sausage Campaign

London, March 12. The Queen today followed up her husband's campaign for more sausage in sausage rolls when she visited a new Church of England secondary school here.

Watching 12-year-old Linda West making sausage rolls in a cookery class, she said: "Are you sure you have got enough sausage in them?"

The Duke of Edinburgh jokingly announced his sausage roll campaign on a visit to the London Polytechnic about a year ago.—China Mail Special.

Refugee From A Massacre Tells Of Horror

By A SPECIAL CORRESPONDENT
Cairo, March 12. Today I interviewed a refugee from a bloody massacre.

He is a merchant from Mosul in Iraq who, at his own request, I will call Mohammed for fear that relatives he left behind would be murdered by the Communists if they hear what he said.

Mohammed looked on the verge of a nervous breakdown as he told his story.

He said he escaped from Mosul by leap with his wife and three children to Damascus on March 11.

He left his family in Damascus and flew to Cairo to report to the Egyptian authorities about the blood bath ordered by Kasseem's Communists.

Authorities here are sifting his and other statements from refugees who are pouring into Syria.

Mohammed escaped a few minutes before Communists reached his home to shoot him. A friend heard them heading towards his home and warned him.

With other wealthy inhabitants he had fled to safety to Shawa, but when the Communists regained the upper hand Mohammed knew he would be killed if caught.

His description of what happened at Mosul sounded more horrible than Budapest's blood bath in 1956.

He said: "I believe Shawaf was killed when Kasseem's air force raided Mosul. I saw bodies of officers and other ranks of the Fifth Brigade who had been executed without trial."

Scientist Predicts Unknown Universe

Washington, March 12. A scientist predicted today that space exploration will reveal "a whole unknown universe" now invisible to man.

The scientist, Lee A. DuBridge, President of the California Institute of Technology, rejected notions that space may be a source of material wealth.

"The greatest resource to be tapped in space, he said, is knowledge, and 'no human resource is more valuable than knowledge.'"

Dr. DuBridge spoke at a forum sponsored by Resources of the Future, Inc.

Instrument-bearing satellites and probes must do the main job of exploring space for the time being, he said.

"In the vast unknown radiation fields of space," he said, "there certainly is hidden many secrets about the nature and size and composition of the universe."

Concerning high-priority projects to put a man in space, Dr. DuBridge said: "It is intelligently used, man can be a great asset to space research, but if he just goes along for the ride he will be a costly liability."

Left At Home
"For the next few years the human being can just as well be left at home until we really need him to do things that instruments cannot do."

Dr. DuBridge said the enormous distances involved preclude exploration of space beyond the solar system. A rocket capable of blasting along at a sustained speed of 80,000 miles an hour would need 30,000 years to reach the nearest star.—U.P.I.

Doesn't Tally

Manila, March 12. The Philippines has 10 male members in its house of representatives.

That's why the Manila Daily Bulletin asked why the Commission on Elections' decision to allow 10 males in the house doesn't tally with the 1935 Constitution.

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WOMANSENSE

GET READY FOR SUMMER



WORK TO A PLAN

If you're bored with routine and repetitious house work, you're merely showing your intelligence.

Miss Martha Hecke, assistant professor of home management at Colorado State University, says that the more bored you become, the greater your intelligence.

Although repetitive work may become a real problem for any worker, it can be a time and tension saver for intelligent persons, particularly housewives, she added.

Miss Hecke pointed out that as skill increases, the more smoothly and rapidly a routine job goes. Thus the homemaker is relieved of tensions and has

more time for other work and creativity.

★ ★ ★

To restore whiteness to a

First dissolve one cup of electrical dishwashing compound in one gallon of warm water in an enameled pan or pail. Stir the solution until it dissolves, taking care not to get any in your eyes or on your skin.

Then dip the garment in the solution until it is completely covered, and let it soak overnight. The next morning, let water from the tap run into the container for about 10 minutes for an overflow rinse. Rub the soiled areas briskly with a soft brush or sponge. Wash the garment thoroughly.

YOUR BIRTHDAY ... By STELLA

FRIDAY, MARCH 13

BORN today, you men and women are likely to differ widely in the outward expression of your basic characteristics. Both of you have outgoing personalities, and while you men are not to use your talents for politics, business or exploration, you women will concentrate on life's social aspects, becoming exceptional hostesses and committee chairmen. Both of you have to run things, the main difference is in what you want to run.



ANYONE, or at least any, expert can work squeezes, end plays and coups when declarer but really good defence is the quintessence of bridge skill.

We opened his king of hearts against the three spade contract and shifted to his fourth best club, East won dummy's king with the ace and took stock of the situation.

If West held only five clubs the hand was going down on almost any line of defence. If he held six, as was quite likely, East decided his best play was to return the queen of clubs rather than to give his partner a heart ruff.

South trumped, cashed his ace and dummy's king of trumps and the queen of diamonds. It

| NORTH | | 2 | |
|-------|-----------|---|--------|
| ♠ | K 8 5 | ♥ | 10 |
| ♦ | Q 4 3 2 | ♣ | Q 10 8 |
| ♣ | K 8 | ♠ | Q 10 8 |
| ♠ | Q 7 5 3 2 | ♥ | K 10 |

| WEST | | EAST (D) | |
|------|-----------|----------|--------|
| ♠ | Q 10 8 | ♥ | 10 |
| ♦ | K 8 | ♣ | Q 10 8 |
| ♣ | Q 7 5 3 2 | ♠ | K 10 |

| SOUTH | | 1 | |
|-------|---------|---|--------|
| ♠ | A 7 6 3 | ♥ | Q 7 5 |
| ♦ | A 6 5 | ♣ | Q 10 8 |

No one vulnerable.
North-South 60 on score.
East 1♥ 1♠ 2♠ 2♥
West 3♠ 3♥ 3♣ 3♦
Pass
Opening lead—♥K

held the trick as did the jack of diamonds which was played next.

The three of hearts, was led from dummy and East came up with another good play. He played the nine. South played the jack and West came up with the crusher. He refused to ruff.

Now declarer had no way to avoid losing three more tricks and his contract.

♥CARDSENSE♥

Q—The bidding has been:
North East South West
1♠ 1♥ 1♠ 1♥
2♠ 2♥ 2♠ 2♥
3♠ 3♥ 3♠ 3♥
Pass
You, South, hold:
♠ A 7 6 3 2 ♦ K 8 5 ♣ Q 10 8 ♠ A 10 8
What do you do?
A—Bid five diamonds. There is a bonus for game and you have all your previous bids and a little more.

TODAY'S QUESTION
You hold the same hand and after your one heart response to his diamond opening your partner has bid one spade. What do you do now?

Answer Tomorrow

"How many pounds does one have to lose to take an inch off the waistline? I have heard it's anywhere from one to six, and I would like to know the score."

By Ida Joan Kain

Four pounds to the inch is this dietitian's educated guess—but that's a rough estimate. Actually, the number of pounds to the inch depends on whether you are long-waisted or short-waisted. Posture, too, must be taken into account. Those who pull slim through the middle have toned muscles and slimmer lines than those who settle for a dumpty waist.

How do you know whether you are long or short waisted? The span between the natural waist and the top of your hip bones tells the story. To find your natural waist, take a string or cord and tie it around your waist, pulling tightly. The cord will settle to the smallest part of your figure. This is your natural waistline.

From that line, measure the distance to the crest of the hip bones, those little round knobs below the waistline at sides of silhouette. If this span is a

scant two inches, you are short-waisted; a four-inch span is average. If you are long waisted, the span may measure as much as eight inches. For you, keeping willowy and lissome is no trick at all.

Ah, well, even though you're short-waisted, bear in mind that style is the way you carry the ribbons. Refuse to settle for a dumpty figure! Pull the waist away from the hips, and lift the ribs up out of the waist. At ease—keep shoulders down and relaxed. Square the shoulders and pull slim through the middle measurement.

Try the pinch test. With forefingers and thumbs, pinch the waistline at each side. How much fat can you pick up between thumbs and forefingers? If it's more than a half inch, you either need to tighten the muscles or take off poundage. And either way, 1-1-1 the ribbons.

The best streamlining technique is to keep the waistline supple. Nature designed the waist to be the most waisted section so we could bend, twist, turn and move easily.



Slimming cue for short waisted gal—Keep supple!

Waistlines have been on the loose of late, fashionwise, but rumour has it that we're soon to get a belt at the waist! Any season now, designers will return to their first love, the sleek, lissome waist. After all, the slim-waisted silhouette is young and lovely.

Driving Dangers

ALL of you are well aware that it is dangerous to drive after drinking alcohol. Well, it may be dangerous to drive while smoking excessively, too.

At least that is the opinion of a British publication, "The Optician."

WHAT HAPPENS

The blood stream, you see, absorbs carbon monoxide from incomplete combustion of tobacco 2.0 times faster than it takes in oxygen. Heavy smoking can produce as much as 10 per cent saturation of hemoglobin with carbon monoxide instead of oxygen.

Tests have shown that only three per cent carbon monoxide saturation can measurably impair sharpness of vision and depth perception. All of this, "The Optician" says, seems to indicate that smoking at the wheel hampers the eyesight. And certainly good eyesight is a driving essential.

ONE-EYED DRIVING

Speaking of depth perception, have you ever realised how difficult it would be to drive, or to do almost anything, for that matter, with only one eye?

Here's a little demonstration that will show you just how valuable your three-dimensional sight is. But I don't want you to try it while driving.

Close one eye. Then point to an object about eight to ten feet away. You will notice that your finger appears to be almost touching the object. Right?

Then open both eyes and look again.

PROPER PERSPECTIVE

Now you see both your finger and the distant object in the proper perspective. You can see that your finger really is a considerable distance from the object, not almost touching it as it first appeared.

You've heard a lot about stereophones, sound lately. Well, your two eyes, operating together, give you stereoscopic vision.

These all-important eyes of yours are very sensitive organs. Better take good care of them. That means a visit to the eye doctor at least every two years whether you wear glasses or not.

—H. N. Bundesen, M.D.

Sisters Make Heavenly Music

It may not be a coincidence that the music of the Immaculate Heart Trio sounds heavenly.

All three members of the chamber group are nuns. Their harmony as sisters in religion has other roots as well. They were born sisters.

The nuns—sisters Mark, Denis, and Anthony—have cut their first professional recording (for Capitol Records) of Schubert's Trio No. 2 in E-Flat Major, Op. 100.

"We try not to get too commercial about things," said Sister Mark, the spokeswoman. "After all, our first duty is as teachers at Immaculate Heart College."

"We get money from the recording and about \$500 for each performance on concert tours, but all the money goes for projects at the college."

Sister Mark, who got her Ph.D. at the Eastman School of Music in Rochester, N. Y., is an associate professor at Immaculate Heart in Hollywood.

Sister Denis plays the piano. Sister Anthony the cello. Said Sister Mark: "After giving most of the money to help build a student union and a music and drama building we had enough left."

A fourth sister, also a nun, lives in Seattle and a married brother resides in Van Nuys, Calif.

"As sisters, we're not rare among nuns. In our order of 500 nuns, there are five sets of three sisters and 30 sets of two," said Sister Mark, oldest member of the trio.

STORIES FOR BOYS AND GIRLS

Everybody's Too Noisy

—Mrs. Cat Thinks People Should Be More Quiet—

By MAX TRELL

"I HAD a talk with Mrs. Cat," said Knarf, the Shadow with the Turned-About Name. "She said, 'You cats know more about noise than almost anyone. That's because they hardly ever make any noise themselves.'"

"That's what the Cat said," Teddy agreed. "She was complaining about the great deal of noise that everyone in the house made—the noise of the Dog barking, the noise of the Canary singing, the noise of the Children laughing and playing. And especially the noise that Mother and Father and the Children make walking up and down the stairs."

"I told her," Teddy went on, "if you don't like the noise, you just don't have to listen to it."

"What did she say to that?" Knarf asked.

"She said, 'Nonsense! That's the trouble with noise. You have to listen to it! Now we cats are different. We never stomp up and down stairs. We walk so quietly that not even a Mouse can hear us. We have cushions on our feet, you know.'"

"Then I said," Teddy continued, "I'm not too bad the people who live in this house haven't got cushions on their feet, too? There are plenty of cushions on the sofa in the parlor. I wonder why they don't ever put them on their feet. Do you think that's a good idea?"

Make Little Noise

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"And what did she say to that?" Knarf asked Teddy. "Did she think it would be a good idea for Mother and Father and the Children to walk around with cushions on their feet?"

Wrong Kind

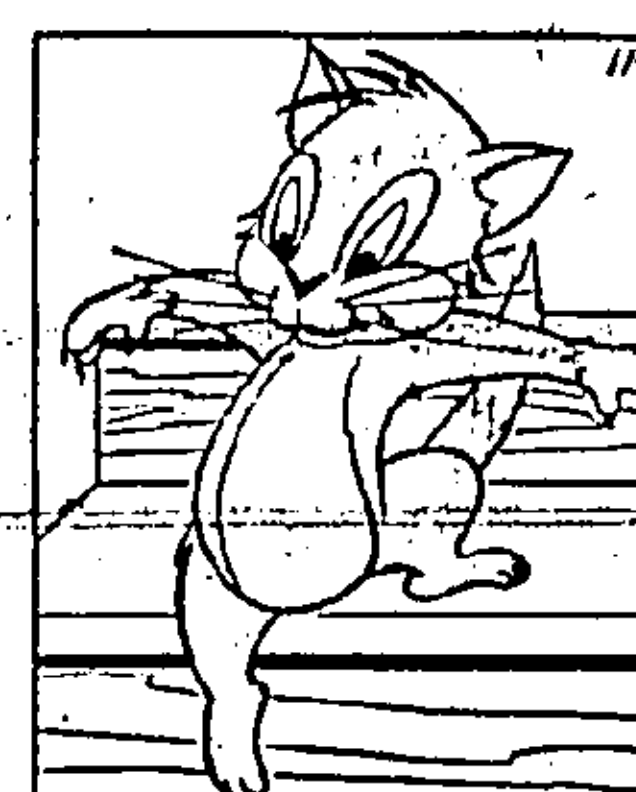
Teddy shook his head.

"The said that sofa cushions might do some good, but that they really weren't the right kind of cushions to wear on your feet."

"You have to be born with them on," she said, "like we are. But it would help a great deal if they walked up and down the stairs on their tiptoes."

"If they'd only stop slamming the doors and banging down windows, and dropping their shoes, and shouting. And if the Canary would only stop singing, and the Dog would only stop barking. You have no idea what a headache I get from all this noise!"

"Did you tell the Cat," asked Knarf, "that I've often heard her meowing all night on the back fence?"



Cats walk so quietly, not even a Mouse can hear them.

Teddy shook his head.

"I forgot all about that," he said. "But she'd probably say that meowing on the back fence all night wasn't bad because everyone was fast asleep and couldn't hear it anyhow."

"If she said that," replied Knarf, opening his book again, "she'd be quite wrong!"

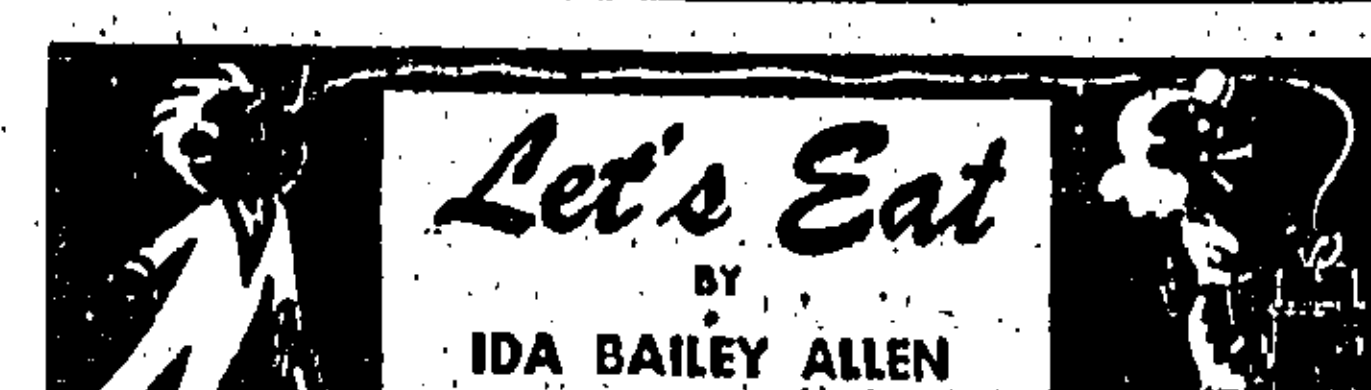
Rupert and the Blunderpuss—6



The little bear tries for the second time to put his flowers into the carrier-bag, and again he is prevented. This time there is a violent shuddering of the ground. The very firm seems to shake, and being unable to keep his balance he topples over. A few seconds later all is quiet again.



First fireworks and now an earthquake, and, oh dear, I do believe this is the very spot where I saw those weird bats! What's the matter with this bit of field? And what'll happen next?



Exotic Mangoes Make A Luscious Dessert



FOR A DESSERT delightfully different in flavour and pretty-as-a-picture to look at, serve a mango sherbet in pale green glass dishes.

OUR fruit repertory is constantly increasing.

Bananas were first shipped from Central America about a hundred years ago. Grandma tells of the day when oranges were treats for Christmas stockings. Pomegranates and pomegranates are in. But the mango is the latest spectacular fruit to come to the market from Florida and California.

Enjoy a mango as you would a banana.

Slice it on a dinner fork; cut the skin from tip to tip and eat as is; or slice (or dice) it to use in fruit cups, salads and desserts.

For a special treat try this luscious dessert.

All measurements are level.

Mango Sherbet: Combine 1/2 c. sugar, 1/16 tsp. salt and 1/2 c. water. Boil 5 min. Cool.

Peel and slice 2 ripe mangoes. Put into a blender or mixer with 1/2 c. heavy cream. Buzz until smooth.

Stir into the syrup. Blend in 1/2 c. lemon juice.

Pour into a refrigerator tray; freeze 40 min.

Beat 2 egg whites until frothy. Beat in 1/2 c. additional sugar (1 tbsp. at a time) until stiff.

Turn the frozen mixture into a chilled bowl. Beat until smooth. Fold in the egg whites. Return to the freezer tray. Freeze until firm.

Serve in low sauce dishes. For a garnish, use slices of a third mango.

Florida Salad Plates: On dinner plates, arrange in sections Florida avocado-tuna salad and green pea-carrot salad as twin salads in lettuce nests. Garnish with pickled-shrimp-and-stuffed olives.

Avocado-Tuna Salad: To 1/2 c. mayonnaise, add 1 1/2 tsp. fresh Florida lime juice, 1/4 tsp. salt and 1/4 tsp. pepper.

Flake and add 1 (7 oz.) can tuna, 3/4 c. diced celery and 2 diced medium-size Florida avocados.

Trick Of The Chef

Refrigerate equal parts of diced watermelon and canned diced pineapple with 1 tbsp. mint flakes for 1 hr.

Whole or halved cooked shrimp, moderate-size cut pieces of fresh cooked flounder, or

Tomato Aspic: Sandwiches: Roast Chicken: Corn Kernel Filling: Potatoes: Risotto: Summer Squash: Mango Sherbet: Fan Waters: Hot or Iced Coffee or Tea Milk

PICKLED FISH

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PICKLED FISH

GREEN HOWARDS NOW TOP

FAVOURITES Impressive Win Over Bacchanalians In Blarney Stone Rugby

By PAK LO

After last night's games the Green Howards "B" must be reckoned as the team most likely to win the Final, for against a very fast hard tackling team of Bacchanalians they won convincingly by 13 points (2 goals, 1 try) to nil. Club "A" another of the "seeds" were not as impressive as expected against the Magpies whom they overcame by 13 points (2 goals, 1 try) to nil.

The second round starts this evening on the Club ground with the following matches:
5.40 p.m.—Green Howards "B" v. HMS Alert "B".
6.00 p.m.—49 Field "A" v. 32 Medium.
6.20 p.m.—RAF Little Sal v. W. Wayfoong.
6.40 p.m.—HMS Tamar v. RAF Mainland.
7.00 p.m.—Police "A" v. Club "B".
7.20 p.m.—Sappers v. Nomads.
7.40 p.m.—Club "A" v. P & O.
8.00 p.m.—HMS Ceylon "A" v. Green Howards "A".

The last three teams mentioned have not yet played as they received a bye into the second round, and their potentialities are as yet unknown.

Club 'B' v. Dampier

Dampier made the first move by kicking the ball, but the Club although they passed indifferently, had the right idea, and made full use of their chances. Club opened the scoring in the second minute with a goal. Three minutes later Marriott away. Evading two tackles he crossed and went round to score under the posts. Hutt converted. 5-0.

Never In Danger

In the second half the Club "B" were never in danger. They attacked, missed a penalty conversion from well out, Hutt's kick hitting the upright, but seconds later Club "B" were awarded another penalty and this time used the short kick to get the ball to Marriott who scored half way out. Hutt again hit the upright but this time it bounced in. 10-4.

Dampier's scrum, back with some long kicks but Club "B" got possession and broke through to send Marriott over under the posts. Hutt converted. 15-0.

Green Howards 'B' v. Bacchanalians

The Green Howards were definitely outstanding in this game which turned out to be one of the fastest to date. Although they had only six men in the second half owing to an injury to Wood in the fifth minute of the first half they scored twice more against very strong opposition.

With five points behind them the Green Howards in the second half concentrated on the touch line, and by kicking from the corner the Bacchanalians in their own half of the field.

Weak Handling

A lovely passing move in the first minute sent the Green Howards deep into their opponents' half and from a couple of penalty kicks, including one of the dreaded ten yards Law, they got the ball out to Green who was left with no opposition before scoring. Marriott converted. 5-0.

Goulds, playing a lovely game throughout, scored the first one in the second half when he dodged through to go up the wing with Mander outside him. The ball went from Goulds to Mander and back to Goulds, to disposal of the one defender and Goulds scored in the corner. No conversion. 8-0.

Death Of Former ILTF President

South Orange, March 12. Russell B. Kingman, a former president of the U.S. Lawn Tennis Association and the only American ever to serve as president of the International Lawn Tennis Federation, died today. He was 74 years old.

scoring chances, but their handling was their weak point and they knocked on. On his own 25 Lowe got the ball and out through to send Embrey away for the last few yards, to score under the posts. Marriott converted. 13-0.

The other point where the Green Howards were successful was in their covering for they always had a man in spare even with only six men on the field.

Sappers v. Police 'B'

Police took the field with only six men which virtually finished any chances they had, and yet they played much better "seven" rugby than their opponents. But the latter could always find the gap with the extra man. Myers scored the first one in the corner after a three move which included two dropped passes, and Horton converted from the wing. 5-0.

Once again before half-time the Sappers used the extra man and Church broke through and passed to Puckett who scored well out. No conversion. 5-0.

Lovely Dummies

In the second half Sanderson started with some lovely dummies and the ball was passed out to Puckett, but he bounced the ball in the in-goal area and did not touch down properly what was a certain try.

Horton scored the next with a good run, but did not convert, and then he made the next opening, sent Church on to score under the posts. Horton converted. 10-0.

Nomads v. 49 Field 'B'

The Nomads, who proved to be a very good seven never gave the 49 Field "B" a chance to settle, and played very clever "seven" rugby throughout and should do well in their game tonight.

A three move gave Elliott the chance which he was quick to take and Dean converted. Prior made victory certain with a lovely run up the centre from inside his own 25 and Dean again converted. 10-0.

Just before half-time Bzile put the Nomads further ahead when he scored from a three move after a series of strong Nomad attacks. 13-0.

Relaxed

The Nomads relaxed in the second half and at the same time proved, with their grand tackling, to have one of the best defences seen to date. They tackled like demons and covered well with one man taking one man. They did not have to worry about anyone missing their men, and at one point in the second half one of their players dummied past six men before passing out but the winger was caught.

Finally Dean added the last five points with a nice try from a scrum ten yards from the line, which he converted. 18-0.

Club 'A' v. Magpies

The Club disappointed with their handling, and in the second half for a long time the Magpies had much the better of the exchanges, and only a series of penalties to Club gave the latter a much needed breather.

Brown was their main hope and he succeeded in outwitting most of the defenders though he should have been caught in both his tries. The first time his would-be tackler slipped, and the second time the tackler gave up when he could not have failed to get him. The first score saw Brown get the ball from his three after they had gathered from a loose man, and score under the posts. Newbigging converted. 5-0.

Just on half-time another good three move by Club gave Brown the ball again, this time in the clear and New-

bigging converted from in front of the posts. 10-0.

In the second half Valentine got the ball from a scrum and broke through to cross well out and go round to score under the posts. No conversion. 13-0.

Allegations of "corruption and nepotism" against India's Cricket Board of Control, mentioned in the Indian Parliament today, will be investigated by the new government-appointed Indian Council of Sports.

The charges were mentioned in the Council of States, India's upper house, by Mr. Shree C. Gupta, the Communist leader, who received an assurance from the Education Minister, Dr. K. L. Shrinani, that the Sports Council would look into the matter.

There has been widespread press and parliamentary criticism of the Control Board, and speculation that the government might withhold financial aid for the proposed Indian cricket tour of England, this summer.

The president of the Council of Sports, which was formed to

Reisman Criticises US Table Tennis Team—SUSPENDED

New York, March 12. Martin Reisman, the United States national table tennis champion, has been suspended by the US Table Tennis Association and may be barred from the forthcoming world tournament in Dortmund, Germany.

Reisman, now in Culver City, California, to compete in the US Nationals, learned of his suspension in a letter from Rufford Harrison, president of the USTTA. Harrison also told Reisman that his recent criticism of the official team being sent to Dortmund might result in his being barred from competing in the World tournament.

Reisman, under partial suspension since he was charged with breaking a surfaw rule during the World Championships at Stockholm, Sweden, in 1957, had been given permission to participate in the singles competition at Dortmund but his point totals would not count toward the United States team's official standing.

Reisman criticized the USTTA in an interview with Bill Rooder of the New York World Telegram and Sun, on Wednesday. He said the US team going to Dortmund was filled with kids who are not only unseasoned but are never going to amount to anything.

Reisman, a 29-year-old native of New York City, Reisman also hopes to play in the Belgian Championships beginning March 21 and the English Championships beginning April 6. The World Championships in Dortmund are scheduled between March 27 and April 5.—U.P.I.

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PREDICTS SLAUGHTER

He predicted the United States would be slaughtered in the Dortmund World Championships.

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SPORTS PERSONALITIES



JUNIOR REMEDIOS

A Brilliant

All-Rounder

Who Is

Leaving HK Shortly



"A Jack of all trades," couldn't be a more apt description of our sports personality for this week, Junior Remedios, a young man who has made a name for himself in a number of sports in the Colony.

This article is in a way, a farewell tribute to this energetic sportsman whose dynamic personality has won him many friends both in and out of sporting circles.

Junior will be leaving Hong Kong to make a home for himself in America, sometime during the first half of April. What's more, wedding bells are also in the offing. He will tie the knot this coming Tuesday. In congratulating him I am sure I am not only speaking for myself but for all his many friends as well.

Modest

Never have I met such a modest young man. I had to chase him for weeks, make that months, before he finally agreed to an interview. Yesterday, he even admitted he had planned to quietly slip away, and then sent me a note of apology from Japan.

I asked Junior if he could explain his success in all the different sports he plays. "I'm just lucky," he said. Lucky in the respect, he explained, that he was born with the natural ability to take up and play any sport reasonably well. From here on in it was easy. He just improved as he went along.

These are the sports he plays or has played: soccer, hockey, softball, cricket, tennis, lawn bowls and badminton. His pet sport, used to be soccer, and at one time he trained with and played a few

games for St. Joseph's. But he was forced to give it up as it clashed with his hockey, and also for other reasons. He played hockey during his school days at La Salle College and later, joined the Recreio "B" team. He played for the latter XI for a year before securing a place in the "A" team.

He has represented the Colony, on a number of occasions, playing in several different positions. He has been switched, from right-half, to inside-right, to centre-forward and inside-left.

But all this switching around made little difference to him for regardless of the position, he always gives of his best and this is what counts most.

Plays Anywhere

Prior to the 1956 Olympics in Australia, he was one of the players selected to go to Macao for special training to represent Portugal at the Games hockey tournament. After weeks of training certain unforeseen difficulties crept into the picture and the idea was dropped. "A chance like this comes only once in a lifetime and naturally I was disappointed," he said. His softball career began with the Jaguars and Braves in the Junior League and then the latter's senior squad with whom he has stuck ever since.

Once again in softball he will play anywhere—he even pitched a game on one occasion. His usual position, however, is at shortstop.

He has played against a number of visiting softball teams and has been in the Braves squad on most occasions when they have won the senior pennant.

Tennis

He is also a three-time "Most Valuable Player," award winner twice in the Junior League and once in the Senior division.

In cricket, he has played for the Recreio First XI, but, he said modestly, "I was only selected for my fielding."

In tennis, he has played for the Recreio first team in the "B" Division and in a number of Club championships. He has won the Junior singles and has been runners-up with his partner, in the Senior doubles and twice in the Junior doubles.

Lawn Bowls

Now, last but not least, comes lawn bowls, a game which he has been playing for a very short while but in which he has accomplished quite a lot.

Last year, he accomplished his greatest lawn bowls achievement when in the Club pairs, coupled with Carlos Yvanovitch, they beat the famous Luz brothers. On two other occasions, he paired his father when the pair came in runners-up to the Luz brothers.

In the Colony Triples, Junior together with his father and C. Rozario came runners-up in this event last year. He has also played for the Recreio first team on various occasions.

Junior's achievements I feel speak for themselves. It only leaves me now, to wish him and his wife-to-be every success for the future.

World's Best Bowler?

London, March 12. Fazal Mahmood of Pakistan is the best bowler in the world today, according to the "Star," the London evening newspaper.

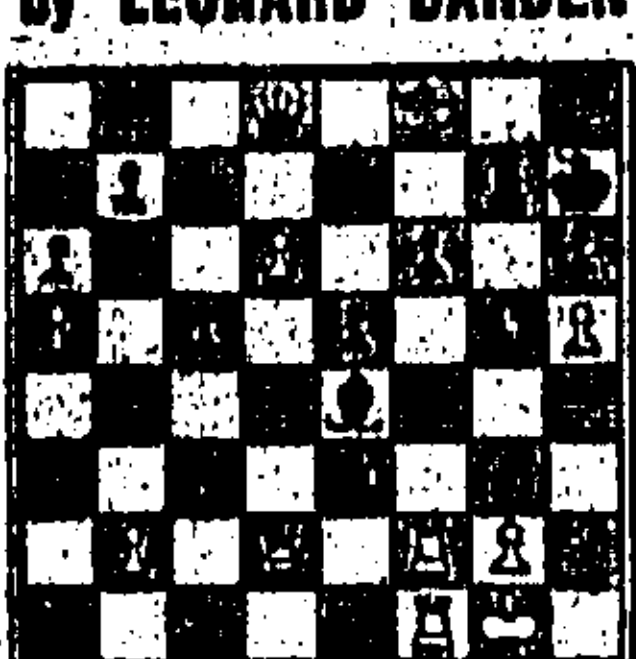
"Who is the greatest bowler in the world?" asks John Paul in his daily sports diary. The diarist answers the question himself: "I think the title must go to Fazal Mahmood of Pakistan—the first man to take 12 wickets in a Test against four different countries."

John Paul reminds his readers how Fazal's right-arm fast-medium deliveries demolished England batsmen at the Oval in 1954. "His 12 for 96 sent us to defeat by 24 runs to square that series," continues the "Star."

The London paper concludes by recalling Mahmood's other great bowling feats: his 12 for 94 in a Test with India in 1953, his 13 for 114 against Australia in 1950 and his recent 13 for 100 against the West Indies—France-Press.

CHESS

by LEONARD BARDEN



Here is a position won by the Russian grandmaster Boris Spassky, how does White (to move) do it? Is the game brilliantly?

'Corruption, Nepotism' Charge Against India's Cricket Board To Be Investigated

New Delhi, March 12.

Allegations of "corruption and nepotism" against India's Cricket Board of Control, mentioned in the Indian Parliament today, will be investigated by the new government-appointed Indian Council of Sports.

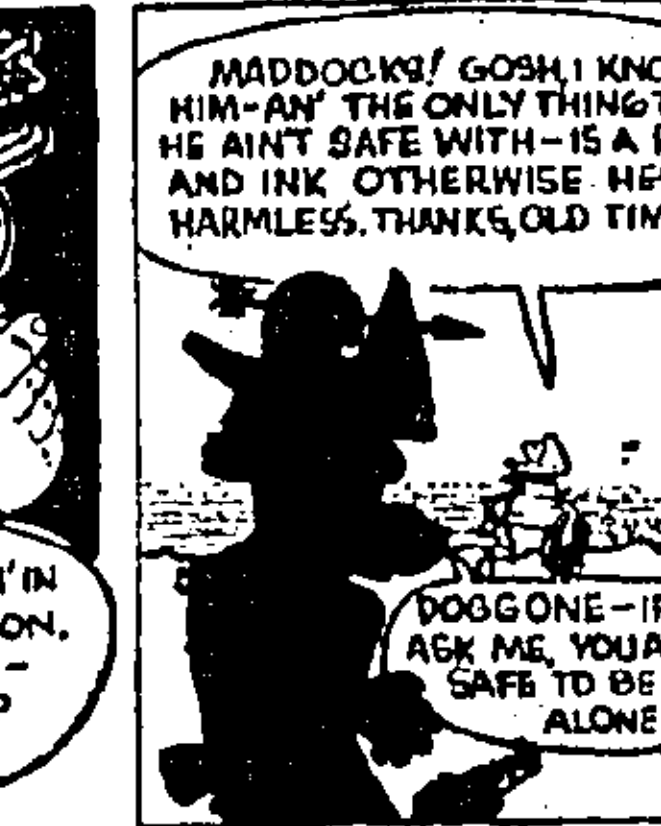
The charges were mentioned in the Council of States, India's upper house, by Mr. Shree C. Gupta, the Communist leader, who received an assurance from the Education Minister, Dr. K. L. Shrinani, that the Sports Council would look into the matter.

There has been widespread

press and parliamentary criticism of the Control Board, and speculation that the government might withhold financial aid for the proposed Indian cricket tour of England, this summer.

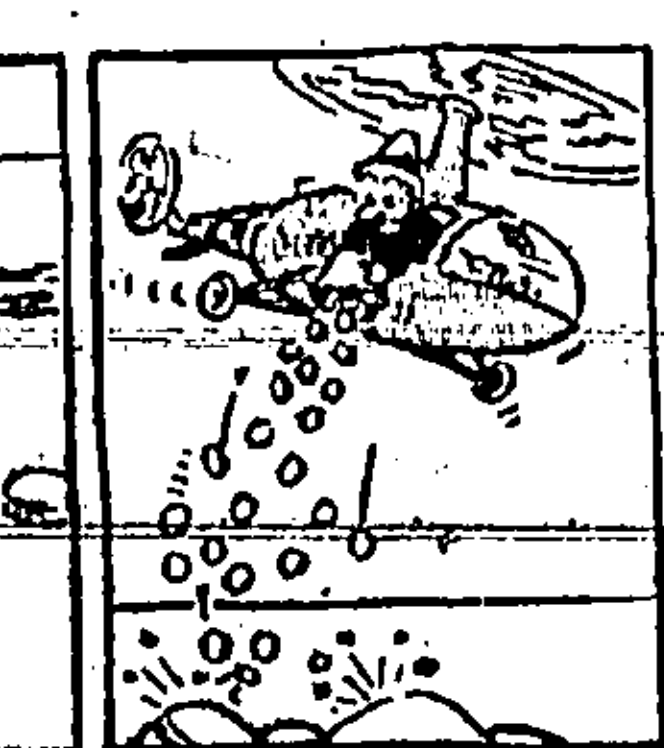
The president of the Council of Sports, which was formed to

FOUR D. JONES . . .



by MADDOCKS

FERD'NAND



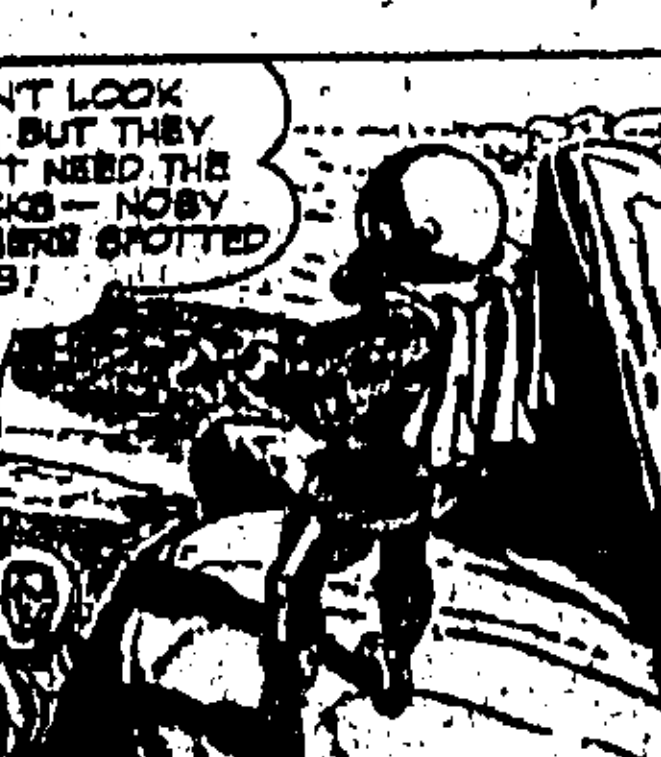
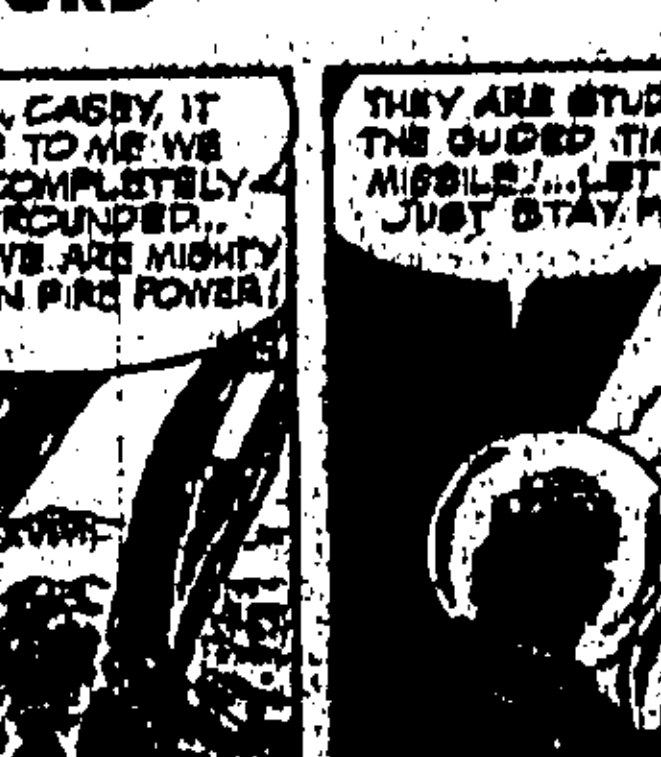
By Milk

NANCY

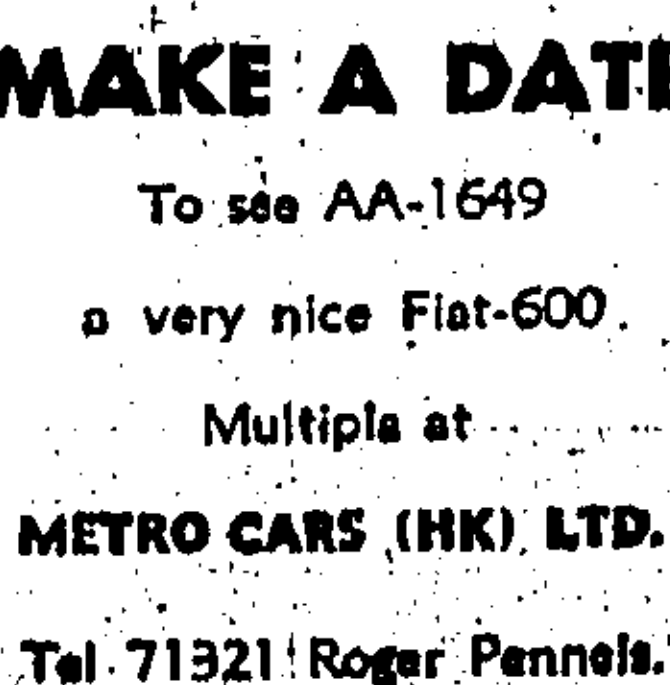
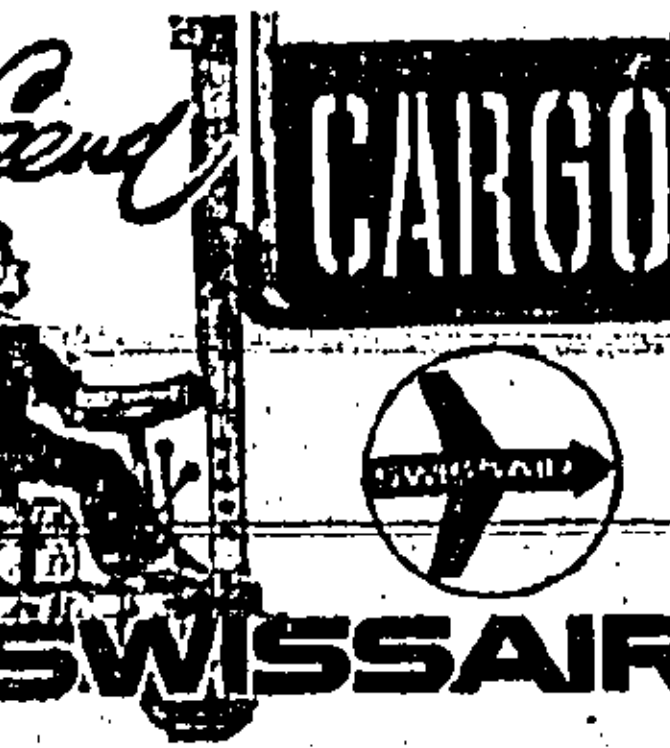


By Ernie Bushmiller

BRICK BRADFORD



By Paul Norris



HONGKONG BANK ANNUAL REVIEW

Economic Activity Shows Signs Of Slackening

CHAIRMAN'S STATEMENT

General economic activity in the Colony showed some signs of slackening off during 1958, but the general level was still satisfactory, Mr Michael W. Turner, Chairman of the Hongkong & Shanghai Banking Corporation told shareholders at the annual meeting this afternoon.

He made this statement in the course of a lengthy annual report on conditions in countries in which the Bank operates.

Mr Turner said the slackening economic activity here was because of less favourable conditions in neighbouring territories.

Mr Turner also revealed that for the first time for some years total bank clearings showed a decrease over the previous year's figure and were at about the same level as in 1956.

THE WORLD SCENE

International relations have followed a pattern which has proved all too familiar in recent years, with serious incidents in both the Middle East and the Far East. Some encouragement can perhaps be found in the fact that many of these explosive situations did not develop into something worse, but unfortunately the basic causes which brought the troubles to a head have not been in any way eradicated. Economic rivalry between the two blocs continued to grow, and the recent strides made in Russian technology and Chinese production have not been without their influence on the uncommitted nations.

In France, the collapse of the Fourth Republic, and the stimulating leadership of General de Gaulle, have wrought a transformation in her political and economic condition, but the settlement of the Algerian question is still far from assured.

Expansion

When we turned to economic affairs we find more encouraging signs, and it seems that the world is moving forward into a period of renewed expansion, if probably at a slower pace. The recession in the United States, which was a genuine cause for concern at the beginning of the year, proved to be the most severe since the war, but it was fortunately of short duration. The effect on western Europe was much smaller than was at one time expected, although industrial production tended to decline. Exports to the United States, on the other hand, showed no sign of falling off, while a considerable outflow of gold from across the Atlantic benefited the reserves of the sterling area and those of several European countries.

While it would be unwise to exaggerate the importance of

the decline in the United States gold reserves, this has resulted in a loosening of the postwar dominance of the dollar, and the resultant strengthening of other major currencies has brought about a more balanced world economy. The concerted European move at the end of the year making their currencies freely convertible for non-residents was a practical manifestation of this improved state of affairs — an outward and visible sign of the comeback of Europe in world affairs, to quote the words of the managing director of the International Monetary Fund.

Sterling

The improved status of sterling in particular is of the greatest importance to us, and we can but hope that this time there will be no turning back.

Unfortunately, the position of the primary producing countries has not been so happy as prices of their commodities, although in some cases showing improvement, are still low. The terms of trade which proved so favourable for the United Kingdom naturally reacted adversely on these countries, most of which suffered balance of payment difficulties. This trend was aggravated in some cases by the more rapid delivery of capital equipment due to the slackening tempo of industrial activity in the manufacturing countries.

The past year has, in fact, seen a very clear and important trend towards the less developed countries still remain on the price which can be obtained for their commodities, and to what extent a severe drop in that price can more than wipe out the benefits of the reserves of the sterling area and those of several European countries.

While it would be unwise to exaggerate the importance of

at the Commonwealth Trade and Economic Conference at Montreal in September when the United Kingdom announced proposals which would increase the flow of capital to Commonwealth countries and Canada promised additional aid through the Colombo Plan.

The annual meetings of the International Monetary Fund and the International Finance Corporation were held in New Delhi shortly after the Commonwealth Conference—the first time these meetings have been held in Asia. Many of the speeches of the delegates paid particular attention to the necessity of improving the standard of living of the less developed countries.

Land values tended to decline during the year and it looks as if the demand, which has been so strong in recent years, is now less active.

For the first time for some years the total bank clearings showed a decrease over the previous year's figure and were at about the same level as in 1956.

Colony's Finances
The financial position of the Colony continues to show a steady improvement, which has been such a feature of recent years. For the current year a surplus of at least HK\$40 millions is now expected, but not until the end of the year will we know again expenditure on non-recurrent public works was considerably lower than was expected. In fact this is the twelfth consecutive year in which there has been a surplus, and revenue is now down to what it was seven years ago, although there has been no major change in taxation. Since the war all expenditure, recurrent and capital, has been financed out of revenue.

For the financial year 1958-59 revenue is expected to remain at about the same level but the estimated expenditure shows a substantial increase, which will produce a deficit of nearly HK\$30 millions. The Financial Secretary considers it more likely this year that the money saved will in fact be spent but even if this should turn out to be the case, it is perhaps not surprising that apart from a few minor adjustments there is no increase in taxation.

Capital

The enlargement of the resources of the Fund and the advantages of more immediate access to the industrial countries of western Europe, but as fresh capital can only in the last resort come from savings, the return to economic health in Europe, where such capital has been generated in the past, can only be of benefit to the countries of Asia in which our main sphere of activity lies.

HONGKONG'S PROBLEMS

The publicity which Hongkong has received during the past year, while focusing interest on many of its activities, has not been without its embarrassing features. Many of the reports have given a fair and factual account of local conditions but a great deal has been written from a partisan approach which has been totally inaccurate. When one looks at conditions in Hongkong today it is essential to turn back a little to find out how the present situation has developed, to examine the various problems that had to be faced, and to consider how these have been overcome.

Rise And Fall

Before the last war and immediately after it Hongkong acted as an entrepot for trade with South China, supplying that area with the imports which were required and marketing the oils and other agricultural products which were exported. There was not only a free exchange of merchandise between Hongkong and South China, but the population of the Colony tended to rise and fall as economic conditions were prosperous or the reverse.

The emergence of the Communist regime in China, together with the embargo imposed as a result of the Korean war, however, changed all that and not only did the entrepot trade fall off but the movement of population tended to be virtually a one-way traffic. Under such circumstances some other kind of economic activity had to be developed, to take the place of the declining entrepot trade with China and to give employment to the growing number of immigrants. This took the form of the establishment of light industries, many of which have been most successful, and of these the cotton spinning industry is the largest and has made the

greatest impact on world markets. If conditions today are looked at from this historical background I think that on the whole the record is one of which we may be justifiably proud. That does not mean that every aspect of local conditions is without a great deal has been written from a partisan approach which has been totally inaccurate. When one looks at conditions in Hongkong today it is essential to turn back a little to find out how the present situation has developed, to examine the various problems that had to be faced, and to consider how these have been overcome.

Visit To Colony

The rising volume of exports of cotton textiles to the United Kingdom and the growing pressure from the Lancashire cotton industry for the fixing of a ceiling, have been the main causes of the publicity which Hongkong has recently received. Negotiations in the past failed to make headway, but in September a delegation from the United Kingdom Colon Board visited the Colony and had discussions with a special committee set up to negotiate on behalf of the local industry. This time it was found possible to reach an agreement and a ceiling of one hundred and fifteen million square yards per annum of exports of cotton piecegoods to the United Kingdom for a period of three years; and the Hongkong Government agreed to set up the necessary administrative machinery to ensure that the limit was adhered to. It was hardly to be expected that this compromise would be received with enthusiasm

by either side, but I hope that it will give a little breathing space, which will enable this question to be considered in the future rather more objectively than has been the case in the past. I should like to say a word about the fact that the Hongkong negotiating committee, which had considerable difficulties to overcome locally in reconciling the different points of view of the various interests involved. It is satisfactory that the Minister of State at the Board of Trade recently stated in the House of Commons that it was not their intention to sponsor similar arrangements in respect of other exports from Hongkong.

Slackening

With conditions not so favourable in neighbouring territories it is not surprising that general economic activity in the Colony showed some signs of slackening off, but the general level still remains satisfactory. Building continues on a considerable scale and it is estimated that fifty per cent of all domestic accommodation in the urban area is now of postwar construction. The need to provide low-priced housing remains as urgent as ever and, in spite of all that has been done, the Government consider that the number of squatters now remaining is at least as great as the number which have been settled.

Diversification

The complaints that have been received from various countries with regard to competition from Hongkong products have focused attention on the need for diversification of local industry. There is, I think, a certain justification in this criticism but it is perhaps not surprising that private capital should tend to concentrate on the production of the well tried and easily saleable article.

7pc Fall In Trade

Hongkong's trade in 1958 showed a decrease in value of about seven per cent compared with the previous year, mainly due to a fall in imports, as exports remained at about the same level. Total trade amounted to HK\$7,600 millions, with imports at HK\$4,000 millions and exports at HK\$3,600 millions. China continued to be the Colony's largest supplier of imports from this country, increased by about one-quarter, with most other areas showing reductions, in particular Japan and the United Kingdom. Exports to Japan and Indonesia showed a drop but this was made up by higher purchases by the United States and the United Kingdom. The balance of trade with the last mentioned countries, however, still remains unfavourable to Hongkong.

Exports Up

Exports of Hongkong products showed a rise of about five per cent over last year's figure. The United Kingdom continued to be the best customer with the United States in second place, and the increases to these countries more than covered the drop in exports to Asian territories, particularly Indonesia. Nearly five hundred new factories were registered during the year, a rise of about one-third compared to 1957.

Business on the Stock Exchange showed a slight increase over last year, but the volume is still not very large and there is no sign of a return to the more active conditions of some years ago.

Land values tended to decline during the year and it looks as if the demand, which has been so strong in recent years, is now less active. For the first time for some years the total bank clearings showed a decrease over the previous year's figure and were at about the same level as in 1956.

Colony's Finances

The financial position of the Colony continues to show a steady improvement, which has been such a feature of recent years. For the current year a surplus of at least HK\$40 millions is now expected, but not until the end of the year will we know again expenditure on non-recurrent public works was considerably lower than was expected. In fact this is the twelfth consecutive year in which there has been a surplus, and revenue is now down to what it was seven years ago, although there has been no major change in taxation. Since the war all expenditure, recurrent and capital, has been financed out of revenue.

For the financial year 1958-59 revenue is expected to remain at about the same level but the estimated expenditure shows a substantial increase, which will produce a deficit of nearly HK\$30 millions. The Financial Secretary considers it more likely this year that the money saved will in fact be spent but even if this should turn out to be the case, it is perhaps not surprising that apart from a few minor adjustments there is no increase in taxation.

JAPAN'S CONCERN WITH GROWTH OF CHINA'S POWER

Few countries are more directly concerned than Japan with the emergence of China as an industrial power, as the Chinese mainland is Japan's most natural source for industrial raw materials and the competition from Chinese manufactured goods in Southeast Asia markets is a threat to her export trade which seems likely to grow in intensity. Private discussions took place in the early part of the year, with the object of concluding a trade agreement between the two countries, and at one time it looked as if these would be successful. When it became clear, however, that diplomatic representation would not be granted to a Chinese trade delegation in Japan negotiations were broken off and direct trade between the two countries virtually ceased.

This was a considerable blow to Japan's economy, particularly in the Osaka area, at a time when purchasing power in some of her markets in Southeast Asia was falling off. It has recently been announced that there is a possibility of negotiations being resumed but there is likely to be some hard bargaining before agreement is reached.

The elections in May resulted in the return of the Liberal Democratic party, with Mr Kishi in particular considerably strengthening his position. He was thus able to form a new Cabinet in which it was claimed that factional differences were considerably reduced, with only the Foreign Minister remaining from his previous term. This change of the new administration seemed to be set to fair until in October the Police Duties Law revision bill was introduced which was greeted with a considerable degree of opposition.

Handicapped

There is no doubt that since the war the police have been severely handicapped in their efforts to deal with demonstrators as at present they are prohibited from taking preventive action. The new bill would have greatly increased their powers and permitted them to act both in private premises and in public places. It was a clear and present danger of public disorder. These proposals were strongly opposed by both the Socialist party and a great part of the public as well, and the Prime Minister in November finally bowed before the storm and agreed to shelve the bill.

Although it would be unwise to attach too great significance to these developments there is no doubt that public opinion made its influence felt as never before and was the deciding factor in the course which events took. Three members of the Cabinet have since resigned, and although Mr Kishi was recently re-elected president of the party for a further term, the strength of the opposition has weakened his position and it is clear that the factional divide in the government has prevented the taking of decisive action on controversial matters, will continue to be as active as ever.

Royal Marriage

In November the engagement of the Crown Prince was announced and the marriage is expected to take place in April. Traditionally the wife of the Emperor is selected from one of the half dozen families closely associated with the throne, and the Crown Prince's choice of a commoner is another sign of the slowly changing pattern in this traditional country.

The economic measures taken in 1957 to curb the boom, which was threatening the balance of payments, were successful in their immediate objective and

the foreign exchange reserves at the end of the year were US\$801 million, a rise of US\$337 million during the year in spite of a repayment of US\$125 million to the International Monetary Fund. Industrial production, however, declined and, although the drop in the value of commodities benefited Japan's terms of trade, the main cause of the improvement in the balance of payments was a reduction in imports particularly of industrial raw materials. Imports in fact fell by about one-third while exports maintained the same level as in 1957 and were unable to show the steady growth of previous years.

Statistics relating to unemployment in Japan are somewhat unreliable, as in a great many cases workers become under-employed rather than being put out of work altogether, but the increase in unemployment must I think have been quite considerable. On the whole the deflationary policy would seem to have been successful and has resulted in a more healthy balance between supply and demand. Advances by the Bank of Japan to the banking system, for example, have registered a sharp drop.

From October onwards there have been various signs that business is picking up. Wholesale prices, the production index and exports all started to rise, while letters of credit issued during the last quarter for imports showed an increase of twenty per cent over the third quarter. The outlook for iron and steel and shipbuilding is much brighter but the textile and fertilizer industries still remain somewhat depressed.

Whether this general improvement will be maintained remains to be seen, but the upward trend in demand from Europe and the United States should begin to make its impact felt, while China in recent months has been active in her sales in Southeast Asian markets, a factor which should benefit Japan even if it may be only temporary.

On the whole the economy enters 1959 in a fairly strong position to take advantage of any improvement in world economic activity. The problem of developing new and active export markets however remains as pressing as ever.

The present administration, after a year in office, has not succeeded in solving the foreign exchange problem which is itself merely a symptom of a much graver economic condition. It is true that restriction on imports has halted the rapid fall in the reserves, which was such a danger in 1957, but as long as deficit finance continues any significant improvement is unlikely. In view of the administration's disinclination or inability to adopt the necessary austerity measures, which alone will halt the increasing inflation, it is perhaps not surprising that applications for aid from international agencies receive lukewarm responses, and that the visit to the United States of the President of the Republic and the Governor of the Central Bank achieved only a limited success.

The budget for 1959 is expected to be balanced at the record figure of Pa.1,280 million, with one-fifth of the revenue being raised from additional taxation, including a twenty-five per cent premium on the sale of foreign exchange. The President has made it clear that in his view "the need for fiscal and economic stabilization is urgent" and has once again urged Congress to repeal the no dollar import law. Similar

resolutions went on to warn against "any premature attempt to negotiate the principle of 'to each according to his work' and replace it with the principle of 'to each according to his needs'". In conclusion the various committees were urged to make use of the winter months "to carry out an overall and thorough inspection" reports of increased rationing of foodstuffs and the difficulty of the export corporations in fulfilling their contracts abroad are further evidence of strain, but production targets published for 1959 make no allowance for this and are about a third higher than 1958.

Even if one is not prepared to accept all their claims at their face value, and it is only necessary to study the Chinese press to find mention of inaccurate statistical reports from the country-side, there is no doubt that there has been considerable progress in practically every field, and industrial production has shown a marked increase. These achievements have only been possible due to a high degree of central direction of effort, which has laid particular emphasis on speed, but the transport system in the country has been severely strained and dislocation has adversely suffered.

What will probably be more surprising to shareholders, who are acquainted with China, is that labour has been found to be plentiful and the cost of labour has been low. The cost of the Communist was no

business is picking up. Wholesale prices, the production index and exports all started to rise, while letters of credit issued during the last quarter for imports showed an increase of twenty per cent over the third quarter. The outlook for iron and steel and shipbuilding is much brighter but the textile and fertilizer industries still remain somewhat depressed. Whether this general improvement will be maintained remains to be seen, but the upward trend in demand from Europe and the United States should begin to make its impact felt, while China in recent months has been active in her sales in Southeast Asian markets, a factor which should benefit Japan even if it may be only temporary.

Rice Crop

The rice crop turned out to be the second largest in Japan's history and would probably have been better still but for the bad weather during the harvest.

On the whole the economy enters 1959 in a fairly strong position to take advantage of any improvement in world economic activity. The problem of developing new and active export markets however remains as pressing as ever.

There is perhaps more reason for hope this year, as a mission from the International Monetary Fund has arrived in the Philippines to study the position on the spot. Meanwhile, the re-distribution of rice has been called from 4½ per cent to 6½ per cent per annum, and the reserve which banks are required to hold against their demand liabilities has been increased.

Relations with the United States are going through a difficult stage and the respective ambassadors have been recalled for consultations. The American bases in the Philippines are the cause of friction, and this subject has been under discussion for some years. President Eisenhower recently described the differences as "psychological" and it would be surprising if some settlement were reached in the near future. From January 1, 1959 both countries doubled the percentage of the standard duty which will be charged on imports from each other in accordance with the gradual increasing scale arranged in 1955.

The recently signed trade agreement with Soviet Russia, which will provide for the construction over the next few years of seventy-eight large scale projects covering metal, chemical, coal and oil installations, makes it clear that there is to be no turning back on the road to greater industrialization.

During the first eleven months of the year showed considerable improvement. With exports more than double the previous year's figure and imports up by one-third. As industrial development has been the entry of China into the shipping market where, taking advantage of the low prices ruling during the year—partly by charter and partly by purchase—a considerable volume of tonnage has been acquired.

Vietnam's Security Improves

The political situation in Vietnam shows little outward change but security conditions continue to improve, due to a large extent to the development of more refugee settlement schemes, supported by government grants, in the outlying regions. American assistance is an important support, but progress in providing for the day when this is no longer forthcoming, is very slow, as industrial development schemes take a long time to mature.

Imports Fall

Although the total of imports for the first eleven months of the year was reduced by twenty per cent, compared with the previous year, the surplus over exports continues to be very large. Exports also fell by about one-third in value, with the two main products, rubber and rice, both running below the previous year's figures. Importers continue to have difficulties in disposing of their stocks as the market remains sluggish, due to local purchasing power being so low and it is estimated that there will be a further reduction of about fifteen per cent in imports during 1959.

The current rice crop is expected to produce a considerable exportable surplus which, if it can be sold, should show a better balance between imports and exports at the end of the year. The internal price, however, is too high, and it may be necessary to grant some form of subsidy if overseas markets are to be found.

Rice Purchase

The budget for 1959 is expected to be in balance at about eight per cent higher than 1958. Increased expenditure will mainly be used for development projects connected with agriculture and the setting up of light industries, such as sugar refining and paper mills, where the raw materials are available locally. In his budget address to the National Assembly, President Ngo Dinh Diem described his government's policy in the agricultural field as aimed at extending the area under cultivation and increasing production. The agreement recently signed with the French Government, for the purchase of rice lands belonging to persons under French jurisdiction, will enable these rice lands to be distributed under the agrarian reform programme, while the improved system of agricultural credit and the programme for improving communications should also benefit the rural population.

Cambodia Adheres To Neutrality

The internal political situation continues very much as before and the elections to the National Assembly resulted in an overwhelming victory for the Popular Socialist Party. In July Cambodia recognized Communist China but the policy of strict neutrality has not been in any way changed. A border dispute with Thailand unfortunately resulted in diplomatic relations being broken off for a time between the two countries, but, thanks to the mediation of a special representative of the United Nations, a settlement appears to be in sight.

Trade for the first eleven months of the year resulted in a considerable adverse balance due to a rise of about one-third in imports compared with 1957. Although all categories of goods show some increase, imports of machinery, motor vehicles and textiles accounted for the major part. The foreign exchange balance, however, is still a very satisfactory level.

(Continued on Page 10, Col. 1)

CONDITIONS IN CHINA

China has been engaged during the past year on what is described as "the great leap forward" and figures issued by the official agencies show a tremendous increase in industrial and agricultural production. Much statistical information is now published at frequent intervals which shows that in practically every field of production targets have been surpassed, while reports from various parts of the country describe the numerous projects such as reservoirs, irrigation work and railroad construction which have been completed or are under way.

Rural society, already transformed by the merging of small units into co-operative farms, experienced an even more radical change by the organization of the people's communes. Under the basic rural administrative areas, comprising about 30,000 people, the establishment of the commune results in the whole activity of a district, agricultural, industrial, cultural, the military, being under central control, while communal nurseries and dining rooms enable the women to work as hard as the men. This movement, which was started in Hsinan province in the summer of 1958, has spread rapidly throughout the country and was given added impetus by the military activity in the Formosa Straits. It is reported that by the end of the

year "more than 99 per cent of China's peasant households" have joined.

Complementary to this policy was the development of rural industry. Small production units, many of the cottage type, were set up in all districts and in villages and towns rapidly constructed blast furnaces turned out pig iron as a first step in the drive for more steel. Output of coal is reported to have increased by over 50 per cent, much of it mined by hand, and numerous public works are being completed at a surprising speed by manual labour with few mechanical aids.

The above are a few of the main features relating to China's development which have been continually stressed in their own periodicals and until December there was no hint that there would be any turning back. In fact communes were to be introduced at an early date in the cities, and this was to be the final stage in the transformation from Socialism to Communism. Wages and private ownership would disappear.

A resolution of the Central Committee of the Communist party published in December made it clear that the pace could not be forced and that the "should not be in a hurry to set up people's communes on a large scale in the cities." The

resolution went on to warn against "any premature attempt to negotiate the principle of 'to each according to his work' and replace it with the principle of 'to each according to his needs'". In conclusion the various committees were urged to make use of the winter months "to carry out an overall and thorough inspection" reports of increased rationing of foodstuffs and the difficulty of the export corporations in fulfilling their contracts abroad are further evidence of strain, but production targets published for 1959 make no allowance for this and are about a third higher than 1958.

Even if one is not prepared to accept all their claims at their face value, and it is only necessary to study the Chinese press to find mention of inaccurate statistical reports from the country-side, there is no doubt that there has been considerable progress in practically every field, and industrial production has shown a marked increase. These achievements have only been possible due to a high degree of central direction of effort, which has laid particular emphasis on speed, but the transport system in the country has been severely strained and dislocation has adversely suffered.

What will probably be more surprising to shareholders, who are acquainted with China, is that labour has been found to be plentiful and the cost of labour has been low. The cost of the Communist was no

doubt aimed at increasing the supply, particularly of female labour. It is clear, however, that the attempt to introduce this radical change in the country-side, to operate small blast furnaces in the villages and to improve rural irrigation—all at the same time—has proved more than the economy can bear. In spite of this setback it cannot be denied that what has already been achieved is a challenge to other countries in Asia. How fast it will be possible to continue the process without serious dislocation is not so easy to predict.

The recently signed trade agreement with Soviet Russia, which will provide for the construction over the next few years of seventy-eight large scale projects covering metal, chemical, coal and oil installations, makes it clear that there is to be no turning back on the road to greater industrialization. During the first eleven months of the year showed considerable improvement. With exports more than double the previous year's figure and imports up by one-third. As industrial development has been the entry of China into the shipping market where, taking advantage of the low prices ruling during the year—partly by charter and partly by purchase—a considerable volume of tonnage has been acquired.

ASIA AND THE FAR EAST IN 1958

Political Moves In Thailand

The government, composed of members of the National Socialist Party, which was formed after the elections in December 1957, never seemed to be particularly secure in the saddle and by September 1958 the dissension within their ranks and the worsening economic situation made it likely that some change would be made. This took a somewhat unexpected form as Field Marshal Siril Thanarat, returning suddenly from England, assumed absolute power on October 20 and suspended the constitution of 1932. At the beginning of this year a new constitution was promulgated and a constituent assembly was appointed, composed of nominated members, to prepare a fresh constitution. Field Marshal Thanarat, meanwhile headed a new Cabinet and stated that improvement of the nation's administrative machinery would be one of the main tasks of his government.

Personalities

It is perhaps unwise to seek too close a parallel in the establishment of this military regime with similar changes that have occurred elsewhere, as politics in Thailand have always to a large extent been dependent on personalities rather than on parties; nevertheless the suspension of the 1932 constitution will postpone the definite period of the formation of

an assembly entirely elected by the people. Economic conditions were severely affected by the drop in export earnings which caused an increase in the adverse balance of trade. Exports of rice and tin were reduced by 400,000 tons and 5,000 tons respectively, and while shipments of rubber were higher than last year, they were still far below the level of 1957. The loss of a time from the freight war between shipping lines to European destinations and exports were better than was expected, although they fell off at the end of the year as the market in Europe is reported to be over-stocked.

Living Costs

The new rice crop is expected to be about average, but indications so far in 1959 seem to show that the price is not competitive in world markets. It is hardly surprising, in view of what I have mentioned above, that importers are being cautious about entering into new commitments. An Economic Advisory Committee, set up immediately after the coup d'état, made a determined effort to reduce the cost of living and then turned its attention to the promotion of industry and encouragement of foreign investment. The budget, the introduction of which has once again been postponed, will no doubt eventually be conditioned to a large extent by the recommendations of this committee.

MALAYA'S FIRST FULL YEAR OF INDEPENDENCE

The first full year of independence has been extremely encouraging and the government have tackled practically all the problems which faced them both at home and overseas. The Alliance still continues to retain the confidence of the majority of the people and their prospects for the elections, which will be held later in the year, seem at the moment to be good. Considerable progress has been made in the battle against the terrorists, in particular in Johore and Perak, where until quite recently they were very active—a culmination of years of effort by men and women of many nationalities. The lessening of the military danger does not give the grounds for complacency, however, as the threat of internal subversion has if anything increased, but the government seem to be fully conscious of the necessity to guard against this danger and have taken a number of steps to this end.

Independent

In foreign policy an independent attitude has been adopted, the only commitment being the mutual defence treaty with the United Kingdom. On the other hand there seems general agreement that as long as the Emergency remains in force a neutral policy is not possible, and accordingly there is no formal diplomatic relationship with the Communist countries. The Federation has played an active part in the United Nations and other international organisations and, at the meeting of the International Bank in New Delhi, was asked to provide an executive director for the coming year.

It is unfortunate that this new country has had to face so soon a decline in revenue due to the lower price of rubber and the reduction under the International Tin Agreement of the export of tin. A deficit of M390 million is expected for 1958 and it is estimated that this will be followed by a slightly higher deficit in 1959. Basically the financial position of the Federation is sound as, although the revenue account will become overdrawn by the end of this year, there are substantial credit balances in other accounts more than sufficient to cover. Nevertheless the continuing deficit on revenue account is a matter for concern, and a progressive reduction, in the hands of the Minister of Finance, would appear to be the major task of 1960.

Port Facilities

In view of the country's present financial position the development estimates for the coming year are around M3150 million, only, or at about the same figure as in 1958, but in view of the long term loan of M3100 million, which has since been arranged with the Government of Britain, it may be possible to postpone the pace. A loan of US\$910 million has been obtained from the U.S. Develop-

ment Loan Fund to develop port facilities in the north Klang area and a larger loan of US\$500 million from the International Bank for the Cameron Highlands hydro-electric scheme. In this latter loan we have agreed to a small participation in some of the earlier materials.

Legislation was passed toward the end of the year for the establishment of the Central Bank of Malaya, which opened for business on January 20, 1959. Mr. W. H. Wilcock, who has been banking since 1904, was appointed the first Governor. The Central Bank has been granted the usual powers required by such an institution, and in addition there is a clause which gives the Governor the power of the accession of other territories. Included in these powers is the right to issue currency, although it is not intended to do so at this stage, and the Currency Board will be responsible for the note issue as in the past. This I think is a wise move, as it will give a breathing space and may prevent the irrevocable severance of the currency arrangements between the Federation and Singapore, which would I am sure not be in the best interests of either territory.

New Industries

With the object of offering inducements to new industries, the Pioneer Industries Ordinance, providing for tax concessions to be granted in such cases, was introduced and it is hoped that this measure will provide an attraction to potential investors. It is the policy of the government to encourage the investment of foreign capital, and on the whole they are doing their best to create a suitable climate, but it was unfortunate that the many claims on the reduced revenue necessitated an increase in company tax from 30 per cent to 40 per cent.

While there is no doubt of the necessity to set up local industries it seems evident that the needs of the growing population will require the development of some of the many tracts of virgin land which are still largely unexploited. A certain amount is being done in this direction, but the pace is still too slow. The coming of claims of agriculture, forestry and mining, and the problem of reconciling with a national policy the jealous guarded rights of the States to control their own land, are some of the difficulties that will require to be overcome, but the importance of agricultural development to the whole future of the country makes it essential that some solution should be found.

Taking everything into account, the present position of the Federation is a happy one

A NEW CONSTITUTION FOR SINGAPORE

The constitution for the State of Singapore was published at the end of the year and elections for the fifty-one-member Legislative Assembly are expected to be held in May, with the constitution coming into force on the Monday after the election day. The new State will have full internal self-government but defence and external affairs will remain the responsibility of the United Kingdom.

On the whole this constitution, which has been arrived at after a considerable period of negotiation, should meet the needs of the people of Singapore, while at the same time granting the United Kingdom Government the safeguards which are required. The sense of urgency, which a few years ago permeated all discussions on Singapore's future, was less in evidence last year, while there were signs that all parties have retreated somewhat from the extreme positions they once held and are showing a greater sense of responsibility. This is a most significant development which, if it should continue, will do more than anything else to allay any feelings of apprehension as to the future which a constitutional change is bound to cause.

The main contenders at the elections seem likely to be the new party formed by the present Chief Minister, Mr. Lim Yew-hock—the Singapore People's Alliance—and the People's Action Party. The aims of the former have considerable support amongst a certain section of the community, but strenuous efforts will have to be made in the short time still available to build up a more stronger organisation than at present exists. The People's Action Party, on the

other hand, have already shown, by their success in the City Council elections, the degree of efficiency which their party machine has achieved. Whichever should be successful, two important objectives would be to be worthy of a high degree of priority—the first to maintain overseas confidence in Singapore to avoid any damage to the entrepot trade, and the second to move forward with the ultimate aim of forming closer links with the Federation of Malaya. There are already signs that the necessity for Singapore and the Federation marching in step is becoming more generally appreciated in both territories, and that nothing will be done to prevent this feeling from gaining strength.

Difficult Year

Economic conditions were not as good as in previous years due to smaller shipments of tin, less favourable prices for rubber and a falling off in the transit trade with Indonesia. The improvement in the price of rubber was, however, beginning to have its effect at the turn of the year, and I think it is true to say that, on the whole, Singapore weathered a difficult year very well. Labour relations, it is encouraging to note, show a great improvement. The budget for 1959 is expected to be in balance due to an increase in company tax similar to the Federation and a rise both in income tax, on a graduated scale, and in the duty on cigarettes. With the object of leaving the incoming government a free hand, development expenditure has on the whole been restricted to the completion of existing commitments. There are considered to be within "the limit of what can be financed with safety and certainty in 1959," and more ambitious plans will depend to a great extent on loans.

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Tin And Rubber

The reduction in industrial activity in both the United States and Europe resulted in the price of tin remaining weak, and a large part of the restricted exports was absorbed by the Buffer Stock and subsequently by the special fund set up largely by producers' contributions. The position was aggravated by large stocks which came on the market from Russian sources, and at the end of August the United Kingdom announced a quota on tin imports, which caused much other countries to follow. Unfortunately this action seemed to have been taken too late and in the middle of September the Buffer Stock Manager was forced to withdraw support from the market, which caused a sharp drop although the price quickly recovered. While there is no doubt that the heavy sales on Russian account were the main cause of the failure of this latest effort, the decision of the International Tin Council to raise the floor price in March 1957 has been criticised.

Price Rises

Since the beginning of the year the tendency has been firmer due to greater demand. The agreement reached with Russia to limit exports to 13,500 tons for 1959 naturally assisted this upward movement, but even the increase of 3,000 tons in the export quota for the second quarter of this year only caused a temporary reaction. At the end of last month the price reached the level at which tin in the Buffer Stock may be sold, with the financial position greatly improved; the Buffer Stock Manager should be able to exercise considerable influence on the market.

During the first half of the year the price of rubber was steady at an average of 78½ cents, but in July it started to rise, mainly on Russian buying. Demand fluctuated during the following months but Russia came in again as a buyer in the last quarter, which caused prices for a time to rise to over 80 cents, with an average of 82½ cents for the second half of the year. Pan-Malayan production increased by 4 per cent compared with 1957 and December was a record month, which shows that the replanting programme since the war has now beginning to yield results. The volume of exports was slightly higher than last year.

In the closing sessions of the present Legislative Assembly several measures received approval, which were intended to give encouragement to local industry. These comprised the setting up of a People's Investment Corporation which, with locally raised capital, would be authorised to invest in the manufacture of cigarettes and matches; legislation to control manufacturers and to encourage pioneer industries; and an amendment to the Customs Ordinance to enable duties to be imposed on certain imported goods to give protection to local industries. Free trade has been for so long a principle of Singapore's whole economic development that the criticism which greeted the introduction of this last measure was hardly surprising, and the government were obliged to accept a number of amendments.

Satisfactory Year For North Borneo

North Borneo has had on the whole a very satisfactory year and, in spite of lower commodity prices, has found it possible to balance the budget without higher taxation, while the value of foreign trade has increased by about 7 per cent. Agricultural development seems likely for many years to come to be the mainstay of an economic progress and the government are making every effort to encourage a greater variety of crops. Progress continues in the growing of hemp and very favourable reports have been received on the possibility of large-scale production of cocoa, while plans for the establishment of oil palm plantations are progressing well.

The abandonment of the oil drilling project at Rankin Shoal has been a setback, but hopes of finding oil off the coast elsewhere have not by any means been abandoned. Rubber replanting continued, and with the help of the Chinese

It is quite understandable that there should be growing concern about the danger of unemployment, which is probably the most serious threat to Singapore's future, and that there should be the wish to take some positive action to encourage the setting up of local industries. It is, however, questionable whether protection, with the inevitable increase in the cost of living which will follow, is in the best interests of the people as a whole, and this point was made by a number of speakers in the debate. Unless export markets are developed by the new industries at a fairly early stage the duties will require to be continued almost indefinitely, as the market in Singapore itself would seem to be too small to enable costs in most cases to be competitive with similar goods manufactured elsewhere. Pan-Malayan total external trade showed a drop of nearly 9 per cent, with the adverse balance increasing by over a third compared with last year to M4305 million. Exports showed a drop of 10 per cent in value while imports fell by 7 per cent. Trade for the year was in fact the lowest since 1954.

BRUNEI

Negotiations on the proposed constitution have continued during the year and it seems likely that a deputation will be going to London shortly to discuss outstanding problems. New immigration laws came into force which restricted the automatic right of entry and residence to members of the State's indigenous races. Persons who did not qualify, but had lived in the State for the previous seven years, were eligible to apply for permanent residence permits.

Revenue is expected to be slightly less in the coming year due mainly to reduced production of oil and lower prices, but the State is still very fortunate in the capital which has taken about five years to complete. This ceremony was performed by the Sultan, in September, in the presence of leading representatives from neighbouring territories.

SARAWAK

Our office in Kuching was opened in April and has got off to a good start in spite of the fact that trade decreased during the year by about 12 per cent. The Governor in his budget speech stated that the policy for 1959 was one of "consolidation rather than expansion" and that the rate of expenditure could not continue at the same level as previously. It was decided to impose a cess of two cents per pound on rubber exports to raise revenue for the rubber replanting scheme, to meet the increased cost of painting material due to the tax imposed on rubber by the Federation. On the whole the year has not been an easy one but the government have made every effort to improve the lot of the people with the resources available.

Satisfactory Year For North Borneo

Development Corporation, an area in the Kemling Plain will be developed. With the planting of one thousand acres of rubber and the setting up of a central rubber factory, the timber industry has also done well and last year provided the most valuable single export. The shortage of labour has been commented on frequently in these reports and was in fact one of the main causes in the past for the slow pace of development. For this reason I was interested to see that the Governor in his budget address was able to state "that today there is no shortage whatsoever of labour for our current needs." This is apparently due to the influx of immigrants and the improvement in the labour situation, coupled with the greater number of technically trained persons coming forward. Rubber replanting continued, and with the help of the Chinese

India—Asia's Most Stable Democracy

The dissolution of the civil administration by the military in Pakistan has naturally been a matter of lively interest to India, and the general trend in this direction in this part of the world is being carefully watched, not without a certain amount of apprehension.

All has not been plain sailing for the central government internally during the past year; relations with the state governments in Kerala remain difficult, quarrels between ministers and party leaders in the Punjab have been frequent, demonstrations have been organised by the extreme Hindu right-wing in Calcutta and Delhi, while the pressure for the division of Bombay State remains very active.

The realisation that Mr. Nehru, who threatened to resign during the year, may wish to lay down office sooner than was once expected has naturally raised speculation about his successor and seems to have resulted in factions developing within the Cabinet. Notwithstanding the various troubles with which the country has had to contend, and the continuing challenge by Communism, India has good claims to be considered to be the most stable democracy in Asia and the future of parliamentary institutions in this part of the world seems likely to depend on how they develop within her borders.

Slower Pace

The drawing down of the foreign exchange reserves, which was such an important feature of the Indian economy in 1957, continued during 1958 although at a somewhat slower pace, as the balance of trade was more favourable than during the previous year. This was due to severe import licensing, which not only reduced the level of imports of consumer goods but also of raw materials as well. Industrial production as a result showed a slight falling off in comparison with the steady annual rise which has been so consistent for the past few years.

In August a meeting of the countries most directly concerned was held in Washington to discuss the problem of the International Bank, and arrangements were made to provide credit to cover India's foreign exchange commitments until March 1959. A further meeting will be held shortly at which the more difficult problem of the International Bank, and arrangements were made to provide credit to cover India's foreign exchange commitments until March 1959. A further meeting will be held shortly at which the more difficult problem of the International Bank, and arrangements were made to provide credit to cover India's foreign exchange commitments until March 1959.

Continuing

Development, however, is a continuing process which cannot be halted in midstream and the rising population is already resulting in an increase in unemployment, which is a very serious problem. It is for this reason that the government are already being given to the three five-year plan, and there are indications that many favour a more ambitious edition of the second, with concentration on the construction of further large-scale industrial enterprises.

This would be a further step along the path which India wishes to tread, but I wonder whether the inflationary pressure will not prove to be too great unless self-sufficiency in food grains has been achieved. It is true that the present harvest is a good one but planning cannot depend on the vagaries of the monsoon, nor can the country continue indefinitely on the present austerity level of imports. Would it not be better, as a first step, to concentrate on a well-planned programme of agricultural development in conjunction with an active campaign to improve existing farm methods? This would give the necessary basis without which rapid industrialisation and hardy rising agricultural production.

Unfortunately the recent decision at the Congress Party conference at Nagpur are not encouraging, nor is the proposal to impose an immediate ceiling on land holdings, with the surplus being run by peasant co-operatives, likely to result in any more rapid progress in agricultural production, which is the most immediate problem.

CEYLON'S TROUBLES

The civil strife and communal rioting, which occurred in May, left a scar which will take a long time to heal and it has not yet been found possible to repeal the state of emergency. The passing of the bill to provide for "the reasonable use of Tamil" is a step towards a solution of the language question but this measure suffers from the usual defects of any compromise. Labour relations have been most unhappy and the long line of waiting ships, which has been such a familiar sight on the Colombo skyline for most of the year, is practical evidence of the conditions in the port. At the turn of the year the banks were involved in a strike which had some rather unpleasant features but, as a settlement of the matters under dispute has now been reached, I do not propose to make any further comment on our national economy. There is, however, little doubt that even a country as richly endowed by nature as Ceylon is cannot afford on indefinite continuance of the racial and labour troubles which have been such a feature of 1958.

Budget Deficit

The budget for the coming year shows a deficit of nearly Rs.500 million, and to meet part of this gap an increase in direct taxation was proposed, with the introduction of a completely new range of taxes on gifts, wealth and expenditure. These proposals, met with an unfavourable reception from the commercial community, but so far the finance bill incorporating them has not been published and it is too difficult for taxpayers to estimate their liability. Preliminary figures show that trade was almost in balance last year, with imports somewhat below the previous year's level. The tax revenue was a record but conditions in the port of Colombo held up shipments, and at one time there was a danger that pilfering and manufacturing of counterfeit arrangements made to utilise the ports of Galle and Trincomalee would have been a disaster to the island's economy, and nearly one-third of the year's exports would have been lost through these ports. The price, obtained for high grown teas showed a slightly higher average than in 1957 but sellers of other grades had to accept less favourable terms.

FUTURE OUTLOOK

As usual I have tried to give shareholders a brief review of the main events in the eastern territories in which we are interested. Economically the year has not been a very successful one, but on the whole they have managed to bear with the burden of low commodity prices without any serious dislocation. The future outlook seems brighter but much will depend on the speed with which industrial production rises in the West, particularly in Europe, and the strength of the competition from China which may have to face.

(Continued from Page 11, Col. 6)

CONDITIONS IN BURMA

The dissensions within the Anti-Fascist People's Freedom League, which had been simmering beneath the surface for some time, finally erupted in April when the party was split into two factions. The Prime Minister, U Nu, who led one of these factions, was able to reorganise his Cabinet in June but the loss of the support of his former deputy seriously weakened his position in the country. In an effort to regain his former authority he proclaimed a general amnesty, with the object of bringing to an end the activities of the insurgents, but this task, which the United Party found beyond their powers, proved even more intractable after the split.

In September he handed over the Premiership to the supreme commander of the army, General Ne Win, who formed a caretaker government which was intended to remain in office until April when fresh elections would be held. These seem likely to be postponed, and the constitution has recently been amended to permit General Ne Win to continue as Prime Minister notwithstanding the fact that he is not a member of parliament.

Active Steps

This basically military government has in a short time brought about a considerable improvement in conditions throughout the country. Prices have been reduced as a result of active steps being taken against hoarders, a drive has been instituted to clean up Rangoon city and many industrial projects, which seemed likely to be a strain on the economy, have been abandoned. Trade has, however, suffered, and the volume financed by the commercial banks in November compared with the same month in 1957 was only about one-third. The import restrictions which were introduced with the object of halting the drop in the foreign exchange reserves were extremely successful, and almost the whole of the loss sustained in 1957 has been recovered. The rice crop is expected to be good and there are estimates of an exportable surplus of two million tons in 1959, although markets may not be so easy with large stocks of rice. The future economic outlook must depend to a large extent on political conditions but, if the present difficulties should be resolved, improvement in trade should result even progress at first may be slow.

The Outlook For Indonesia

The government were successful in withstanding the military threat from the rebel forces in Sumatra and North Celebes and in regaining possession of the major towns, but it is questionable whether their control was very large in the neighbouring countryside. The rebel leaders still remain at large and it has been found necessary for the military to continue to participate in a considerable extent, in the running of the civil administration and of the commercial enterprises taken over from the Dutch; while the State of emergency has been extended until December 1959, and at the end of last month, it was announced that the country would return to rule by Presidential decree.

More success has been achieved in the control of the border trade between Sumatra and Singapore, although, apart from the Celebes, still continues to be exchanged for consumer goods, which should be some way to meet the complaints of the outer islands that they do not receive their fair share of the foreign exchange cake. It is hardly surprising that with the political situation remaining so disturbed economic conditions have been far from happy. The loss of the Dutch-owned coastal shipping fleet, of which was operating against the straits for the past year, will

take some time to replace and, until it is found possible to maintain a greater degree of law and order, produce from the estates will not be able to reach the ports.

Not Promising

The budget for the coming year estimates a deficit of Rp. 8,000 millions, advances to the government by Bank Indonesia have been in twenty months from Rp. 15,000 millions to nearly Rp. 25,000 millions, and the note issue has increased by Rp. 5,000 millions. Foreign exchange reserves remain at about the same level as a year ago but there is no cover to be maintained against the note issue and the percentage of cover for the note issue being reduced. It has therefore been found necessary to amend two statutes of Bank Indonesia, one which laid down that the foreign exchange cover to be maintained against the note issue and the other which limited the level of advances to the government. Restrictions on private imports continue to be very severe and the future outlook for foreign business remains against the activities of our bank. In particular, hardly look very promising. As was advised to you by my predecessor last year, our Surabaya office, which used to be a very busy one, has now been closed and the staff of the Surabaya office is a skeleton.

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CHINA MAIL

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FRIDAY, MARCH 13, 1959.

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\$20,000 Guarantee Lost

Court Dismisses Claim By Motorman

Mr Justice A. P. Scholes today dismissed a claim in the Supreme Court by a former motorman against the Everett Steamship Company for return of a \$20,000 protection guarantee.

Cheng Hsueh-kwong, former No. 1 motorman on the m.s. Bradeverett, claimed the return of the guarantee which he had paid to the company when he was first employed. Cheng said he had been dismissed by the company on September 12, 1957 and the company had subsequently refused to pay him back his guarantee. (The guarantee was given as a protection in the company against any costs it incurred through any smuggling or other malpractice, real or suspected, committed by Cheng or any motorman employed under him.) The civil action was the sequel to the finding of 200 gold bars on board the m.s. Bradeverett on September 20, 1957.

The company stated that there was a nine-day delay of the ship at Chittagong by customs authorities resulting from the gold seizure, and that under the terms of the guarantee document, they were entitled to set-off the money due to them against the \$20,000 deposited by Cheng.

"Prevent Smuggling"

In his judgment, Mr Justice Scholes said that there was evidence that the guarantee deposit agreement had been introduced by the shipping company and made with the heads of three departments of the crew for the purpose of preventing smuggling and similar malpractices. "I think that the intention must have been to prevent smuggling and similar malpractices not by the defendant but by the crew of the ship and that the agreement should be construed accordingly."

Mr Justice Scholes said it had been contended on behalf of Cheng that the company had entered into consideration of him being employed on board the ship, and that at the time of the detention of the ship Cheng had already been discharged and was no longer on the ship.

It had also been contended that the guarantee was not in operation, and that the plaintiff was not therefore responsible under the guarantee for the detention of the ship.

Mr Justice Scholes held that probably the cause which led

to the ship's detention—the presence of the 200 bars of gold in the ship—arose and existed when Cheng and the Chinese crew were still employed aboard the ship although the ship was not detained until later; and that therefore, Cheng was liable under the terms of the agreement for the loss on account of the detention.

"Some reasons for thinking that, on the balance of probabilities, what occurred, are as follows:

"The plaintiff did not claim the return of his deposit for about five months after his discharge. If the plaintiff had a right to the return of the deposit one might have expected him to have claimed it earlier.

Smuggling Ceased

"After the discoveries at Rangoon and en route to and at Chittagong, the smuggling activities in the ship ceased when the new Philippine crew had come on board."

"The hall mark on the bars of gold indicated that the bars were of Macao origin, Macao being near to Hongkong.

"After the Chinese crew had been given notice of their discharge at Rangoon, one of the members of the Chinese crew, the quartermaster, was found with 10 bars of gold.

"It is considered to be unlikely that the Philippine crew would have constructed the secret compartments in the ship in the short time they were on the ship before the discovery of these compartments, especially as there were no smuggling activities by this crew later on, and the bars were found in a secret compartment."

Costs

"It was further contended on behalf of Cheng that the company induced the detention of the ship on account of the ship going to Chittagong after the discovery of the gold."

"The ship had cargo to unload and cargo to load at Chittagong, and I do not think that the defendant was under a duty to the plaintiff not to proceed with the defendant's normal trade on account of malpractices or smuggling that had occurred, and I think that the defendant was free to do so."

"For these reasons, I am of the opinion that the defendant is entitled to set-off \$20,000 against the plaintiff's claim and the plaintiff's claim will therefore be dismissed with costs for the defendant."

Cheng was represented by Mr Oswald Cheung, instructed by Mr A. Y. Hon. The Everett Steamship Co. was represented by Mr S. V. Gittins, instructed by Wilkinson and Grist.

Apply For Licences

The Government Gazette notified today that the Hongkong Air Transport, Ltd. in association with Airwork, Ltd. have applied to the Hongkong Air Transport Licensing Authority for licences to operate a scheduled flight of once a fortnight (to be increased to once a week on demand) between Hongkong and London.

Superintendent Fong Returns To Colony



Mr and Mrs Fong Yik-fai aboard the ss President Wilson today.

Mr Fong Yik-fai, Superintendent of Police, Hongkong, returned to the Colony this morning in the ss President Wilson from San Francisco, accompanied by his wife, Gilda.

Mr Fong left Hongkong in September of last year to attend a senior course at the Royal Canadian Mounted Police College, Vancouver.

Eleven weeks later, he commenced a series of visits to police organisations in Europe, including France and Switzerland.

He and his wife returned to the Colony on March 12, in the Queen Elizabeth to New York on January 26. On arrival in the United States they went to Houston, Texas, to visit Mrs Fong's sister.

Before returning from San Francisco, they had spent four days in Hollywood, but did not meet any film stars.

Mr L. B. C. Baker, Superintendent of Police in charge of Personnel, went aboard the President Wilson to welcome Mr and Mrs Fong on behalf of the Commissioner of Police.

Mr Fong Yik-fai was the first Chinese Superintendent of Police to be appointed in Hongkong. Before proceeding on leave he was in charge of Kowloon City Divisional Police headquarters.

Photo shows Mr and Mrs Fong aboard the APL passenger liner President Wilson, before they disembarked.

TOURISTS ARRIVE ON U.S. LINER

The American President liner, President Wilson arrived here this morning from Yokohama, with two groups of tourists, totalling 38 persons.

The first is a group of 22 Americans, on a round-the-world tour, who will be in the Colony for the next six days. They are led by Mr E. H. Hughes, the tour director. A quick visit to Macao is planned for the party.

After their tour in the Colony, they will go to Singapore, and then to Hong Kong, on through India, Egypt, Italy and other points in Europe before they return home.

A second group consists of wives of American military personnel based in Japan. The 15 tourists will remain in the Colony before returning to Japan.

Also on board the liner is Mr Eugene B. Thomson, who is on his way to Rangoon to take up the post of Assistant Information Officer at United States Information Service there. He leaves on Monday for Rangoon with his wife and daughter.

Promotions

The promotion of Lieutenant M.A.R. Young-Harris, MC, J. Mackenzie and J.H. Duthe of the Hongkong Regiment to Captains was approved, as notified in today's Government Gazette.

WOMAN WHO SOLICITED FROM CAR FINED \$50

Lily Wong, 26, who pleaded guilty to soliciting for immoral purposes while in a car, was fined \$50 by Mr H. V. Rhodes at Kowloon this morning.

Defendant, of 16A Mody Road, admitted the offence.

Detective Sub-Inspector I. M. Forsyth told the Magistrate, that at about 10.40 p.m. on March 11, he was walking along Mody Road when defendant approached him in a private car, No. AA7295, and asked him to "go for a drive."

The Inspector went along and while they were travelling, defendant told him that they "could have a good time" at her home for \$70.

The Inspector then revealed his identity card and arrested her.

HONGKONG FROM THE AIR

New Venture To Attract Tourists

By A China Mail Reporter

A group of 23 local pressmen had a bumpy ride around Hongkong this morning on CPA's first round-the-island flight.

Before the flight Capt. G. F. Leslie, a senior CPA captain, told his 23 passengers on the DC-3, that they would be flying between 500 and 1,000 feet. "Not to get below the clouds, but because you cannot see anything over 1,000 feet."

With the clouds covering Lion's Peak and Kowloon Peak, the little twin-engine DC-3 took off.

Good View

In the 35-minute flight the passengers were able to get a good view of Hongkong's tourist attractions—Aberdeen, Repulse Bay, Silver Mine Bay and Hay Ling Chau.

Captain Leslie said afterwards: "It was a bit rough, but that is not normal. Most days it is perfectly calm."

"We flew deliberately slow—about 120 m.p.h., to give you a better look at the sights."

12 Booked

CPA plan to have three round-the-island trips a week, each of about 30 minutes duration.

The first commercial flight will be on Sunday. I learnt that so far 12 of the 28 seats have already been taken for this flight.

Fares for the flight are \$60 for a window seat and \$25 for an aisle seat.

Friday 13th May Bring Luck In The Sweep

How superstitious are you? Do you, for instance, worry when the calendar reads Friday the 13th? Well, today is Friday the 13th, the second of three such similar dates this year, the next one falling in November.

To many, however, the day and the date mean little or nothing.

By noon today, more than 4,000 tickets in tomorrow's last race sweep were sold, bringing the total sales to over \$30,000. The first prize for the sweep just before noon stood at about \$450,000.

Sale of tickets will end an hour before the event.

22-Day Old Child Died In Blaze

It has now been established that six people died in the fire which broke out two days ago in a squatter area near the Shek Kip Mei Resettlement Estate, Shum Shui Po. One was a 22-day-old child.

Five of the victims were members of the same family. They have been identified as Tse Woon-chong, a 49-year-old man, Leung Lai-kuei, a 35-year-old woman, the 22-day-old child, a four-year-old boy, Tse Wan-chun, a five-year-old girl and Tse Kwok-tan, a male infant who was 22 days old. They lived at hut No. 1, Third Lane, Nam Yung Lane, first floor.

The sixth victim was a 50-year-old man, Poon Shing, who lived on the ground floor of the same hut.

From the Files
25 years AGO

CANADA, Germany and the United States are represented by luxury liners which will visit Hongkong within the next three weeks on round-the-world cruises.

The Matson liner, Lurline, on her second annual cruise in Pacific waters, will arrive on Tuesday and will be followed on Saturday next week by the luxurious Empress of Britain, largest passenger vessel ever to enter Hongkong harbour.

The tourist season will close with the arrival of the Hamburg-Amerika liner Resolute on April 1.

Playing for University, A.M. Rodriguez knocked up 103 not out to give his team a big lead over the Royal Navy. D.K. Sany took five of the Navy's wickets for 28 runs. H.J. Armstrong playing for the Cricket Club scored 41 in their team's 118 for nine declared against the Royal Engineers total score of 62. H.J.D. Lowe took six wickets for 40.

GOVERNMENT House, notice for Thursday March 8: His Excellency the Governor and Lady Peel were present at the wedding of Miss Rosemary Lucy May, to Mr John Crowe Richardson. His Excellency gave away the bride. A reception was held afterwards at Government House.

An interesting visitor in the person of Mr John Jacob Astor passed through the Colony on Saturday en route to Europe by the P and O liner Comorin. Mr Astor, heir to what is reputed to be the largest fortune in the world, is a member of the well-known New York family of multimillionaires. He is the grandson of the founder of the family fortune, Mr J.J. Astor, after whom he is named.

FOR four years a well-known and highly respected member of the Kowloon community, Mrs Julia Sager, proprietress of the Juliette Beauty saloon, Hankow Road, passed away yesterday morning at the Kowloon Hospital after a brief illness. She died of double pneumonia. She came from Minnesota, USA.

Last Respects For Miss Kotewall

Last respects were paid this morning to the late Miss Winifred Kotewall by many of her friends and relatives at the encoffining ceremony which took place at the funeral parlour of the Precious Blood Hospital.

Miss Kotewall, sister of the late Sir Robert Kotewall, is survived by three sisters. She passed away last Wednesday at the Precious Blood Hospital.

The Rev. D. Cray of St James' Settlement, officiated at the ceremony.

Following the encoffining, the cortege left the funeral parlour for the Kowloon Crematorium.

One Killed, Two Hurt In Road Mishaps

A 34-year-old man, Chan Yik-chun, of No. 123, Cornhill Road, West, third floor, was fatally injured when he was knocked down by a private car in Argyle Street, near Stilling Road, late last night. The man died in Kowloon Hospital early this morning.

A man and a boy were also injured in traffic accidents in Kowloon yesterday.

Death Of Old China Resident

ONE of the oldest French residents in China, Madame Antoinette de Villeneuve, passed away here yesterday at the age of 79.

Madame de Villeneuve, a graduate of the Sorbonne in Paris, went to Peking in 1915, where she was professor of French at Peking University and Normal University. Later on she taught French at the

Peking American School and remained there for more than 15 years. She moved then to Shanghai where again she taught French at the Shanghai American School until the outbreak of World War II.

Madame de Villeneuve came to Hongkong only two years ago from Shanghai. Despite her advanced age she still gave here private French lessons to advanced students.

Madame de Villeneuve died in St Theresa's Hospital after a short illness. She will be laid to rest on Sunday at 3 p.m. in the Roman Catholic Cemetery at Happy Valley. A ceremony will be held in the chapel of the cemetery.

Madame de Villeneuve is survived by her only daughter, Mrs Pauline Loo, and three grand-children, Manette, Milton Jr. and Franklin.

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